

2016-2017

DRAFT BUDGET UMKHANYAKUDE DISTRICT MUNICIPALITY



2016-2017 TO 2018-2019
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK
2016-2017

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Abbreviations and Acronyms

AMR	Automated Meter Reading
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan

PART 1 – ANNUAL DRAFT BUDGET

1.1 Mayor's Report



UMKHANYAKUDE DISTRICT MUNICIPALITY

MAYOR'S REPORT

DRAFT BUDGET 2016-2017

UMkhanyakude District Municipality have limited financial resources to satisfy the unlimited needs of the people. Therefore as the municipality we need to use our financial resources wisely by eliminating non-priority items in our budget.

The council of the municipality have the responsibility to eradicate the high volume of the service delivery backlogs particularly in the infrastructure of the water and sanitation in the whole area of UMkhanyakude District. The more attention should be focused on an outdated and aging infrastructure that end up instigating huge losses of water and interrupt the services delivery to the community.

The municipality is faced with challenge of high unemployment rate with the high rate of indigent households, and this affect the debt collection of the municipality. Based on that from the portion of the equitable share the municipality will allocate the funds to free basic services to cater for the poor.

The budget for UMkhanyakude District is more focused on the services delivery strategic priorities that were approved by the council of the municipality, which are as following:

- Sanitation/sewerage
- Water crisis
- Environmental health
- Economic, Social or Community and Skill Development
- Revenue enhancement
- Spatial planning and development
- Communication and information Technology
- Good governance and clean audit
- Poverty eradication and food security

In order for the municipality to ensure the smooth implementation of the above mentioned strategic priority we need to device good communication techniques between the municipality, community and other stakeholders. This should include communicating the IDP, Budget, SDBIP, Performance reports/Annual Reports, setting of targets etc., to ensure that we are all striving for the same achievements.


UMkhanyakude District will ensure that all employees of the municipality are subscribed to Batho Pele principles. The 2016-2017 draft budget will be published and communicated to the community for their inputs for the adoption of the final annual budget by the 27 May 2016.

Cllr S. J Vilane

The Mayor: UMkhanyakude District Municipality

The total consolidated operating revenue budget and capital contribution budget for uMkhanyakude District Municipality is R 648 million below is the summary, the consolidated for operating expenditure and capital expenditure is R 642 million.

The summarised consolidated draft budget 2016-2017 for UMkhanyakude District Municipality:

			
UMKHANYAKUDE DISTRICT MUNICIPALITY			
2016-2017 DRAFT BUDGET			
DC27 Umkhanyakude Consolidated Budget Summary			
Description	2016/17 Medium Term Revenue & Expenditure		
R thousands	Budget year 2016/17	Budget year +1 2017/18	Budget year +2 2018/19
Revenue			
Operating revenue	379 496 476	413 117 607	457 334 808
Capital Contribution	267 516 900	268 468 950	327 392 250
Total revenue	647 013 376	681 586 557	784 727 058
Expenditure			
Operating Expenditure	374 807 148	413 117 608	457 334 809
Capital Expenditure	267 516 900	268 468 950	327 392 250
Total expenditure	642 324 048	681 586 558	784 727 059
Surplus/Deficit	4 689 328		

Consolidated Operating draft budget 2016-2017



UMKHANYAKUDE DISTRICT MUNICIPALITY

2016-2017 DRAFT BUDGET

DC27 Umkhanyakude Consolidated Budget Summary

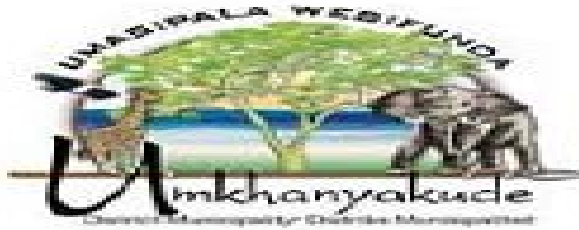
Description	2016/17 Medium Term Revenue & Expenditure		
	Budget year 2016/17	Budget year +1 2017/18	Budget year +2 2018/19
R thousands			
Revenue By Source			
Service charges - electricity revenue	5 047 499	5 340 254	5 649 989
Service charges - water revenue	31 103 981	32 908 012	34 816 677
Service charges - sanitation revenue	516 345	546 293	577 978
Rental of facilities and equipment	93 819	99 260	105 017
Interest earned - external investments	3 772 000	3 990 776	4 222 241
Interest earned - outstanding debtors	4 995 123	5 284 840	5 591 361
Transfers recognised - operational	306 688 100	335 978 050	375 691 750
Other revenue	27 279 609	28 970 121	30 679 795
Total revenue (excluding capital contribution)	379 496 476	413 117 607	457 334 808
Expenditure By Type			
Employee related costs	127 744 511	135 664 671	143 668 887
Remuneration of councillors	7 459 201	7 831 511	8 224 299
Debt impairment	29 209 000	32 129 900	35 342 890
Depreciation & asset impairment	28 204 382	31 024 820	34 127 302
Finance charges	1 048 709	1 113 729	1 179 439
Bulk purchases	64 692 397	68 703 326	72 756 822
Other materials	35 613 729	36 397 231	38 544 667
Contracted services	13 868 633	14 728 488	15 597 469
Transfers and grants	5 558 077	5 835 980	6 244 499
Other expenditure	61 408 509	79 687 951	101 648 534
Total expenditure	374 807 148	413 117 608	457 334 807
Surplus/(deficit)	4 689 328	-	-

Capital Budget 2016-2017



UMKHANYAKUDE DISTRICT MUNICIPALITY DRAFT BUDGET 2016-2017

Description	Draft Budget year 2016/17	Draft Budget year+1 2017/18	Draft Budget year+2 2018/19
Capital Grants			
MIG	197 145 900	212 515 950	225 392 250
Rural Household Infrastructure Grant	70 371 000	55 953 000	102 000 000
Total	267 516 900	268 468 950	327 392 250



UMKHANYAKUDE DISTRICT MUNICIPALITY			
2016-2017 BUDGET			
SERVICE DELIVERY LIST AS PER DC27 IDP STRATEGIC PRIORITIES			
Sanitation/Sewerage		50 920 187	
Ingwavuma VIP Sanitation Project	22 821 256		
Thembaletu Sanitation Project	20 598 931		
Sewer Network (Jozini & Mtuba LM)	7 500 000		
Water		219 962 805	
Hluhluwe Phase 1 Water Supply Scheme-Upgrade	29 236 034		
Mkhuze WTW upgrade and Refurbishment	19 372 700		
Hlabisa Mandlakazi Water Second bulk & Retic	14 664 247		
Mpukunyoni Community Water Supply scheme – Remedial	28 440 607		
uMkhanyakude District - Disaster management Centre	15 009 360		
Manguzi Star of the Sea water scheme	23 709 600		
uMkhanyakude Billing enhancement	15 360 000		
Ingwavuma Boreholes (Drought)	22 570 265		
Bulk water purchases	51 599 992		
Environmental Health		805 896	

Municipal Health	426 400		
Disaster Management	379 496		
Revenue enhancement	-	35 263 729	
Repairs and maintenance :water schemes	34 641 185		
Repairs and maintenance :electricity	622 544		
Communication and information Technology	-	514 470	
System Support Services (IT)	314 470		
Communication	200 000		
Good Governance and clean audit	-	1 458 800	
Audit committee	90 056		
IDP Road shows	213 200		
Internal Audit	1 155 544		
External audit	3 500 000		
Operational cost	-	333 398 162	
Staff salaries	127 744 511		
Council remuneration	7 459 201		
Electricity	8 201 973		
Contract services	13 868 633		
Other expenses	176 123 843		
Total budget	-	642 324 048	

1.2 Council Resolution

1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

The draft budget 2016-2017 proposed a total consolidated amount of R648 million which has been developed with an overall planning framework and includes programme and projects to achieve the municipality's strategic objectives. This draft budget is working towards appearing to the reality of the need of water in the community, addressing issues of unemployment, poverty, inequality and ensuring of rendering the sustainable services delivery to UMkhanyakude District.

An amount of R353 million has been allocated to the operational budget and the capital budget for the infrastructure is R 268 million. The projection for the service charges and other income included is R 46 million. The overall budget for UMkhanyakude District Municipality is R621 million.

The entity (UMhlosinga Development) of UMkhanyakude has a budget of R27 million, when consolidating the parent municipality's budget it adds up to R627.1 million.

The draft Medium-Term Revenue and Expenditure Frame Work is released for the consultation of the community, business, internal and external stakeholders, so they can have the influence in the area of UMkhanyakude. The budget enables the implementation of our goals as set out on the Integrated Development Plan.

1.3.2 Strategic priorities for 2016-2017

UMkhanyakude District Municipality's budget will be considering the Government key priorities area in general, which are as following:

- Job creation
- Education
- Health
- Rural Development,
- Safety and security

The municipality has identified all of the above priorities and also the municipality's objectives and strategies that need to be addressed:

OBJECTIVES AND STRATEGIES FOR 2016/2017 FINANCIAL YEAR

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

OBJECTIVE

To provide effective and efficient human resource management aimed at achieving a skilled workforce that is responsive to service delivery and change

STRATEGIES

- Alignment of the organizational structure to a broader organizational strategy)
- Placement of existing human resource according to their qualifications
- Review of Recruitment and Selection Policy to include Competency and Psychometric Assessments and vetting of qualifications
- Conduct an audit of available skills to identify skills gaps
- Training and Development Plan/Strategy focusing on Strategic Priority areas as identified by the LGSETA (Infrastructure and Service Delivery, Financial Viability, Management and Leadership, Community Participation and Planning)
- Development and implementation of the Performance Management Policy
- Enforcement of the employee Code of Conduct as outlined in Schedule 2 of the MSA as well as the Disciplinary Code and Procedure

OBJECTIVE

To provide an effective and efficient system of managing records for preservation of institutional memory

STRATEGIES

- Appraisal of current records for preservation and disposal
- Review, adoption and implementation of records management procedure manual, records management policy and file plan
- Management and control of all municipal strong rooms by registry / records management personnel

KPA 2: BASIC SERVICE DELIVERY

OBJECTIVE

To provide high quality infrastructure network to support improved quality of life and economic growth

STRATEGIES

- Implementation of projects for all households to access basic water services supported by high quality infrastructure
- Implementation of projects for all households to access basic sanitation services supported by high quality infrastructure
- Implementation of projects for waste removal services and infrastructure
- Ensure functional electricity services for Ingwavuma and KwaMsane areas
- Support programmes aimed at Improving coverage and quality of road network within the District

KPA 3: LOCAL ECONOMIC DEVELOPMENT

OBJECTIVE

To expand district economic output and increase quantity and quality of employment opportunities

- Optimise the role of the agricultural and forestry sector in district economic growth and employment creation
- Optimise the role of conservation and a diversified tourism sector in district economic growth and employment creation
- Increase in the skills levels of the district labour force
- Ensure improved quality of employment opportunities to raise income levels of employed population
- Support increased beneficiation and manufacturing of local products

- Facilitate increased population densities in selected nodes to create viable markets and thresholds for a broader range of products and services

KPA 4: FINANCIAL VIABILITY AND MANAGEMENT

OBJECTIVE

To Improve Revenue Collection

STRATEGY

- Cleansing of Consumer Data
- Profiling Debtors (identify top 20 that can pay)
- Installation and repair of meter
- Accurate Billing
- Implementation of Credit Control

OBJECTIVE

To Improve Financial Management

STRATEGIES

- Effective use of Interim Finance Committee (IFC)
- Preparation of Realistic and Funded Budget in line with IDP
- Transfer of Skills (Not sure if it's under Institutional Transformation)
- Timely Reporting
- Development of Annual Financial Statements (AFS) Plan
- Acquisition of Asset Management System

OBJECTIVE

To Effectively Implement Supply Chain Management Regulations

STRATEGIES

- Development of Procurement Plan
- Capacitate SCM Officials and Bid Committees
- Management of Existing Contracts

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVE

To improve the quality of life and life expectancy for people living within UMkhanyakude District

STRATEGIES

- Participate in programmes aimed at reducing prevalence and impact of HIV
- Prioritise programmes for youth development and employment creation and support for vulnerable groups
- Improve access to and quality of health facilities
- Implementation of Arts and Culture Programmes
- Implementation of sports and recreation programmes
- Ensure improved prevention, mitigation and response to Disasters within the DM

OBJECTIVE

To ensure excellence in governance and leadership

STRATEGIES

- Implementation of Risk management programmes
- Functional Audit Committee
- Regular public participation in municipal business
- Implementation of IGR programmes
- Implementation of programmes aimed at improving local government financial viability supported by increased local revenue stream and less reliance on grant income
- Coordination of relevant policy development and implementation from all spheres of government

KPA 6: CROSS CUTTING INTERVENTIONS

OBJECTIVE

To ensure integrity and quality of physical environment underpinned by a coherent spatial development pattern

- Maintain and improve the environmental integrity of the district and its resources
- Implement a functionally structured spatial development pattern guided by identified nodes and corridors through an effective land use management system

- Optimise coordination of and synergy with spatial development in adjacent Swaziland and Mozambique
- Facilitate fully coordinated planning and development activities within district

National Treasury's MFMA Circular No. 78 and 79 was used to guide the compilation of the 2016-2017 draft MTREF.

1.3.3 Challenges

The main challenges experienced during the compilation of the 2016-2017 draft MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The high rate of unemployment within UMkhanyakude
- The high rate of indigent within UMkhanyakude
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The increased cost of bulk water and electricity (due to tariff increases from Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and

Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2016-2017 MTREF process

1.3.4 Budget principles and guidelines that directly informed the compilation of the 2016-2017 draft MTREF

The 2015-2016 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016-2017 annual budget;


Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following table is a consolidated overview of the proposed 2016-2017 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2016-2017 MTREF

				
UMKHANYAKUDE DISTRICT MUNICIPALITY				
2016-2017 DRAFT BUDGET				
DC27 Umkhanyakude Consolidated Budget Summary				
Description		2016/17 Medium Term Revenue & Expenditure		
	Adjtsment budget 2015/16	Budget year 2016/17	Budget year +1 2017/18	Budget year +2 2018/19
R thousands				
Total consolidate operating revenue	368 731 298	379 496 476	413 117 607	457 334 808
Total consolidate operating expenditure	368 731 298	374 807 148	413 117 607	457 334 807
Surplus(Deficit)	-	4 689 328	-	-
Transfer recognised-Capital	235 973 603	267 516 900	268 468 950	327 392 250

The consolidated operating revenue for both parent municipality and the entity of the municipality is R379 million, 2 per cent compared to adjustment budget for 2015-2016. For the two outer years, operational revenue will increase by 8 per cent and 9 per cent respectively, equating to a total revenue growth of R 32 million and R44 respectively over the MTREF consolidated.

Total consolidated operating expenditure for the 2016-2017 financial year has been appropriated at 1 per cent increase when compared to the 2014/15 Adjustments Budget and by 9 per cent and 9 per cent for each of the respective outer years of the MTREF.

The capital budget increased with R32 million in the 2015/16 financial year, then increased in 2016/17 with R 0.9 million and 2017/18 increased with R58 million

1.4 Operating Revenue Framework

In order for UMkhanyakude District municipality to continue improving the quality of services provided to the citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a consolidated summary of the 2016-2017 MTREF (classified by main revenue source):

Table 2: Summary of revenue classified by main revenue source

DC27 Umkhanyakude - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	41 940	43 573	25 978	48 063	34 788	34 788	34 788	36 668	38 795	41 045
Investment revenue	12 525	6 709	1 428	1 085	2 500	2 500	2 500	3 772	3 991	4 222
Transfers recognised - operational	214 251	281 011	237 422	284 387	288 142	288 142	288 142	306 688	335 978	375 692
Other own revenue	2 322	6 605	13 951	33 290	43 692	43 692	43 692	32 369	34 354	36 376
Total Revenue (excluding capital transfers and contributions)	271 037	337 898	278 778	366 825	369 121	369 121	369 121	379 496	413 118	457 335

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from services charges forms a significant percentage of the revenue basket for the municipality. Service charge revenues comprise of 10 per cent of the consolidated total revenue mix 2016-2017. In the 2014-15 financial year, revenue from services charges totalled R37 million after the adjustment budget. In 2015-16 consolidated budget for service charges will increase to R37 million, R39 million and R41 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from services charges which increases with 10 per cent in 2015-16 after the adjustment budget that was because during the adjustment budget the municipality calculated the adjustment figure based on the actual during that period. Now the municipality has increased its actual revenue and conventional revenue budget increased. The outer year's percentage is 5 per cent in 2016/17. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Operating grants and transfers total R307 million in the 2016-2017 financial year gazetted for UMkhanyakude District municipality, it excluding (R26 million) the entity transfers expected by UMHlosinga Development agency. Note that the year-on-year growth for the 2016-2017 financial year is 21 per cent and then flattens out to 10 per cent in 2017-2018 years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term as gazetted in Division of Revenue Act bill:

Table 3: Operating Transfers and Grant Receipts



UMKHANYAKUDE DISTRICT MUNICIPALITY DRAFT BUDGET 2016-2017

Operating grants

<i>Description</i>	<i>Draft Budget year 2016-2017</i>	<i>Draft Budget year+1 2017-2018</i>	<i>Draft Budget year+2 2018-2019</i>
Equitable share	292 146 000	320 467 000	359 612 000
FMG	1 250 000	1 250 000	1 000 000
PMU	10 376 100	11 185 050	11 862 750
Rural Road Assets Management Grant	2 516 000	2 676 000	2 817 000
Shared service grant	400 000	400 000	400 000
	306 688 100	335 578 050	375 291 750

Tariffs

Tariff-setting is an essential and strategic part of the compilation of any budget. When charges will be revised, local economic conditions, input costs and the affordability of services will be taken into account to ensure the financial sustainability of the Umkhanyakude. The municipality is under the review of current tariffs, based on that only the tariffs for commercial as well as departments will increase with CPI rates.

National Treasury continues to encourage municipalities to keep increases in tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc.

Table 4: Proposed Water Tariffs

PROPOSED CHARGES AND TARIFFS 2016-2017



Proposed charges and tariffs 2016-2017

Water and Sanitation Tariffs

Water Tariffs for 2016-2017			
Area	Description	Current Tariffs 2015-2016	Proposed Tariffs 2016-2017
	Water		
All area in DC27	RESIDENTIAL		
	0-6kl	Free	Free
	7-20kl	R 6.69	R 6.69
	21-30kl	R 10.37	R 10.37
	31-40kl	R 12.55	R 12.55
	40-50kl	R 15.38	R 15.38
	<51kl	R 19.87	R 19.87
	COMMERCIAL		
	0-20kl	R 12.29	R 13.10
	0-30kl	R 14.95	R 15.94
	0-40kl	R 15.84	R 16.89
	0-50kl	R 17.60	R 18.76
	<51kl	R 21.12	R 22.51
	GOVERNMENT		
	0-20kl	R 12.29	R 13.10
	0-30kl	R 14.95	R 15.94
	0-40kl	R 15.84	R 16.89
	0-50kl	R 17.60	R 18.76
	<51kl	R 21.12	R 22.51
	PREPAID WATER	R 6.69	R 6.69
DOMESTIC	Domestic 2x Ave consumption minimum	R 370.00	R 400.00
CONSUMER DEPOSIT			
BUSINESS & OTHER CONSUMER DEPOSIT	Commercial 2x Ave consumption minimum	R 1 010.00	R 1 100.00

Water Related Tariffs for 2016-2017

Area	Description	Current Tariffs 2015-2016	Proposed Tariffs 2016-2017
Water connection up to 25m	Domestic	R 0.00	R 0.00
Water connection up to 25m	Commercial/Other	R 1 790.25	R 2 000.00
All connection above 25mm		actual cost + 10%	actual cost + 10%
Special meter reading		R 209.00	R 225.00
Prepaid meter		cost of meter + 10%	cost of meter + 10%
Final reading disconnection		R 22.00	R 23.45
Testing of a meter		R 477.40	R 508.91
Tampering fee		R 1 320.00	R 1 407.12
Water Tanker service	Per load	Refer to commercial rates	
Water Tanker cost per km	Per km	R 9.90	R 19.45
Reconnection for non-payment		R 181.50	R 193.48
Water in unmetered area	Per Household	R 33.55	R 35.76
All other work		cost + 10%	cost + 10%

Sanitation Tariffs for 2016-2017

Area	23 Description	Current Tariffs 2015-2016	Proposed Tariffs 2016-2017
All Area on sewer mains	per flat/Dwelling	R 1.58/KL	R 1.78/KL
	Conservancy tanks where service available	R 396.05	R 422.19
	Conservancy tanks weekends/PH	R 597.10	R 636.51

1.4.1 Sale of water and impact on tariff increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2016. Better maintenance of infrastructure will ensure that the supply challenges are managed in future to ensure sustainability. A tariff increase of 6.6 per cent from 1 July 2016 for water is proposed for the commercials. This is based on the CPI inflation rate of 6.6 per cent for 2016-2017. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

1.4.2 Sale of electricity and impact on tariff increases

NERSA has announced the revised bulk electricity pricing structure. A 9.4 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.

It should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

The annual budget for the Electricity purchases can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. water schemes without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R13 million for 2016-2017 financial year.

1.4.2 Sanitation and impact on tariff increases

A tariff increase of 6.6 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 6.6 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- The total revenue expected to be generated from rendering this service amounts to R1.5 million for the 2016-2017 financial year.

The following table compares the current and proposed tariffs:

Table 5: Comparison between current sanitation charges and increases

<i>Sanitation Tariffs for 2016-2017</i>			
Area	Description	Current Tariffs	Proposed Tariffs
		2015-2016	2016-2017
All Area on sewer mains	per flat/Dwelling	R 1.58/KL	R 1.78/KL
	Conservancy tanks where service available	R 396.05	R 422.19
	Conservancy tanks weekends/PH	R 597.10	R 636.51
Discharges of sewer By tanker into sewer syst	Per kl	R 24.40	R 26.01

1.4.5 Overall impact tariff increases on the household

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 6: Comparison between water charges and increases (domestic)

Choose name from list - Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease											
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease											
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption				6 200 000.00	6 300 000.00	6 300 000.00	6 300 000.00	#NAME?	6 400 000.00	6 400 000.00	6 400 000.00
Sanitation											
Refuse removal											
Other											
sub-total		-	-	6 200 000.00	6 300 000.00	6 300 000.00	6 300 000.00	1.6%	6 400 000.00	6 400 000.00	6 400 000.00
VAT on Services											
Total small household bill:		-	-	6 200 000.00	6 300 000.00	6 300 000.00	6 300 000.00	1.6%	6 400 000.00	6 400 000.00	6 400 000.00
% increase/-decrease				-	1.6%	-	-	1.6%	-	-	-

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to 1.6 per cent, with the increase for indigent households closer.

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2016-2017 budget and MTREF is informed by the following:

- The asset replacement strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset management strategy
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2016-2017 budget and MTREF (classified per main type of operating expenditure):

Table 7: Summary of operating expenditure by standard classification item

DC27 Umkhanyakude - Table A1 Budget Summary

Description R thousands	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Employee costs	70 538	109 915	124 331	135 491	125 330	125 330	125 330	127 745	130 555	138 649
Remuneration of councillors	6 244	6 953	6 721	11 409	7 076	7 076	7 076	7 459	7 832	8 224
Depreciation & asset impairment	21 016	28 109	28 160	24 607	28 204	28 204	28 204	28 204	36 397	38 545
Finance charges	1 066	978	1 135	317	707	707	707	1 049	1 114	1 179
Materials and bulk purchases	98 067	113 839	104 394	92 310	91 484	91 484	91 484	100 306	105 101	111 301
Transfers and grants	-	-	-	3 828	3 000	3 000	3 000	5 558	5 836	6 244
Other expenditure	131 317	210 464	136 334	98 863	113 320	113 320	113 320	104 487	126 546	154 008
Total Expenditure	328 248	470 258	401 075	366 825	369 121	369 121	369 121	374 808	413 380	458 151

The budgeted allocation for employee related costs for the 2016-2017 financial year totals R127 million, which equals 34 per cent of the total operating expenditure the parent municipality. Based on MFMA circular number 79 guidelines the parent municipality increased the employees related cost with CPI rate plus 1 per cent. The total consolidated of employees related costs is R133 million for the parent and the entity of the municipality which is equal to 35 per cent of the consolidated operational expenditure budget. As part of the UMkhanyakude

cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the

Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the UMkhanyakude District budget.

The provision of debt impairment was determined based on the actual collection on monthly basis for the municipality and on the billing of debtors. The R28 million is set of against the billing provision on our revenue from receivables. The 6 per cent increase for outer years is based on the assumption of the increase of the receivables between comparative prior years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R29 million for the 2016-2017 financial and equates to 10 per cent of the total operating expenditure. It is 10 per cent of the increase of the comparative prior years assets increase. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). The municipality was in a process of settling the long-term loan in 2015-2016 and is not intending to have a long-term borrowing in 2016-2017, but since it is not finalised an amount of R 711 thousand has been provided for interest charges and interest on bank accounts for the municipality of R338 thousand.

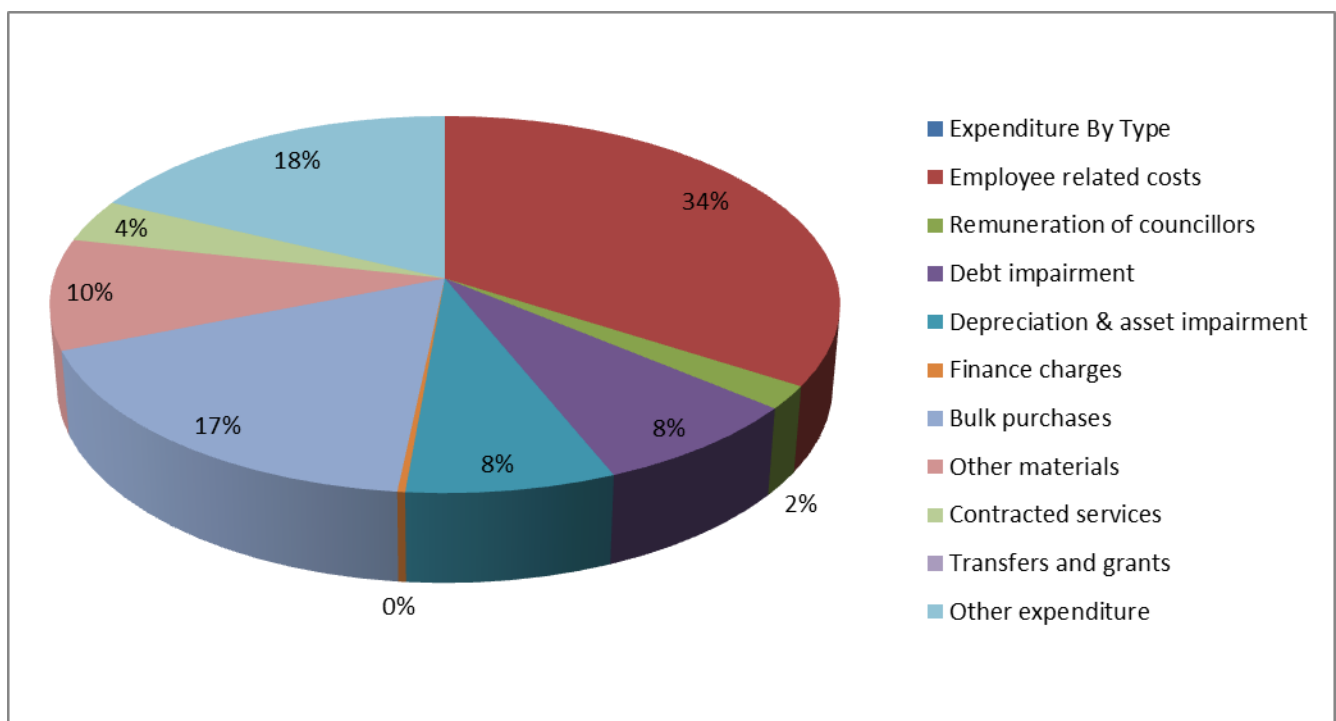
Bulk purchases are directly informed by the purchase of electricity from Eskom and water for water purification and reticulation. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, repairs, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the UMkhanyakude's infrastructure. For 2016-2017 the appropriation against this group of expenditure is R36 million which equates 10 per cent of the operating budget.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2016-2017 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2016-2017 financial year, this group of expenditure totals R14 million which equates 4 per cent, clearly demonstrating the application of cost efficiencies.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 18 per cent for 2016-2017 including the other expenditure of the entity. The municipality's other expenditure amounts to R28 million which equals to 7% per cent of the consolidated operating expenditure budget.

Figure 1: Main operational expenditure categories for the 2016-2017 financial year



1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8: Capital budget per vote

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	44 520	44 520	44 520	44 520	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	172 912	222 386	222 386	222 386	216 597	174 969	259 914
Vote 10 - SANITATION DEPARTMENT		-	-	-	26 986	26 986	26 986	26 986	50 920	93 500	67 478
Vote 11 - TECHNICAL SERVICES		-	-	-	7 755	4 000	4 000	4 000	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	252 173	297 892	297 892	297 892	267 517	268 469	327 392
Total Capital Expenditure - Vote		-	-	-	252 173	297 892	297 892	297 892	267 517	268 469	327 392
Capital Expenditure - Standard											
Governance and administration		-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	52 275	4 000	4 000	4 000	-	-	-
Planning and development		-	-	-	52 275	4 000	4 000	4 000	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	261 057	127 973	199 898	244 248	244 248	244 248	267 517	268 469	327 392
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	255 188	119 399	172 912	217 262	217 262	217 262	216 597	174 969	259 914
Waste water management		-	5 869	8 574	26 986	26 986	26 986	26 986	50 920	93 500	67 478
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392
Funded by:											
National Government		-	261 057	127 973	207 653	203 898	203 898	203 898	267 517	268 469	327 392
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	44 520	32 076	32 076	32 076	-	-	-
Transfers recognised - capital	4	-	261 057	127 973	252 173	235 974	235 974	235 974	267 517	268 469	327 392
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	12 274	12 274	12 274	-	-	-
Total Capital Funding	7	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392

For 2016-2017 an amount of R207.5 million has been appropriated for the development of infrastructure which is the total capital budget. In the outer years this amount totals R224 million, and R237 million respectively for each of the financial years. Water receives the highest allocation

1.7 Annual Budget tables

Table 9: Consolidated Annual Budget Summary

DC27 Umkhanyakude - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	41 940	43 573	25 978	48 063	28 488	28 488	28 488	36 668	38 795	41 045
Investment revenue	12 525	6 709	1 428	1 085	2 500	2 500	2 500	3 772	3 991	4 222
Transfers recognised - operational	214 251	281 011	237 422	284 387	288 142	288 142	288 142	306 688	335 978	375 692
Other own revenue	2 322	6 605	13 951	33 290	43 692	43 692	43 692	32 369	34 617	37 193
Total Revenue (excluding capital transfers and contributions)	271 037	337 898	278 778	366 825	362 821	362 821	362 821	379 496	413 381	458 152
Employee costs	70 538	109 915	124 331	135 491	125 330	125 330	125 330	127 745	130 555	138 649
Remuneration of councillors	6 244	6 953	6 721	11 409	7 076	7 076	7 076	7 459	7 832	8 224
Depreciation & asset impairment	21 016	28 109	28 160	24 607	28 204	28 204	28 204	28 204	36 397	38 545
Finance charges	1 066	978	1 135	317	707	707	707	1 049	1 114	1 179
Materials and bulk purchases	98 067	113 839	104 394	92 310	91 484	91 484	91 484	100 306	105 101	111 301
Transfers and grants	-	-	-	3 828	3 000	3 000	3 000	5 558	5 836	6 244
Other expenditure	131 317	210 464	136 334	98 863	113 320	113 320	113 320	104 487	126 546	154 008
Total Expenditure	328 248	470 258	401 075	366 825	369 121	369 121	369 121	374 808	413 380	458 151
Surplus/(Deficit)	(57 211)	(132 360)	(122 297)	0	(6 300)	(6 300)	(6 300)	4 689	0	0
Transfers recognised - capital	236 304	233 214	162 783	207 653	203 898	203 898	203 898	267 517	268 469	327 393
Contributions recognised - capital & contributed	-	-	-	44 520	32 076	32 076	32 076	-	-	-
Surplus/(Deficit) after capital transfers & contributions	179 093	100 854	40 486	252 174	229 674	229 674	229 674	272 206	268 469	327 393
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	179 093	100 854	40 486	252 174	229 674	229 674	229 674	272 206	268 469	327 393
Capital expenditure & funds sources										
Capital expenditure	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392
Transfers recognised - capital	-	261 057	127 973	252 173	235 974	235 974	235 974	267 517	268 469	327 392
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	12 274	12 274	12 274	-	-	-
Total sources of capital funds	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392
Financial position										
Total current assets	275 990	142 308	145 022	107 812	80 371	80 371	80 371	48 933	54 026	56 863
Total non current assets	1 241 596	1 475 323	1 576 230	1 433 484	1 433 484	1 433 484	1 433 484	1 641 756	1 733 761	1 837 823
Total current liabilities	157 744	157 415	214 923	102 084	68 722	68 722	68 722	64 876	64 878	64 879
Total non current liabilities	13 165	12 686	12 808	7 578	7 578	7 578	7 578	7 751	7 290	6 330
Community wealth/Equity	1 346 677	1 447 530	1 493 520	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807
Cash flows										
Net cash from (used) operating	345 120	119 367	132 046	270 770	195 457	195 457	195 457	295 009	309 115	374 153
Net cash from (used) investing	(291 241)	(261 837)	(128 620)	(237 103)	(288 371)	(288 371)	(288 371)	(267 517)	(268 469)	(327 392)
Net cash from (used) financing	10 375	12 092	(4 716)	(1 258)	(1 258)	(1 258)	(1 258)	(711)	(1 500)	(1 500)
Cash/cash equivalents at the year end	141 757	11 378	13 805	45 106	(81 476)	(81 476)	(81 476)	0	39 147	84 408
Cash backing/surplus reconciliation										
Cash and investments available	141 757	11 378	13 805	25 289	33 859	33 859	33 859	4 000	11 000	11 500
Application of cash and investments	65 468	104 762	180 033	19 036	19 848	19 848	19 848	31 563	31 088	29 551
Balance - surplus (shortfall)	76 288	(93 383)	(166 228)	6 253	14 011	14 011	14 011	(27 563)	(20 088)	(18 051)
Asset management										
Asset register summary (WDV)	30	327	512	1 537 974	1 537 974	1 537 974	684 928	684 928	684 940	684 952
Depreciation & asset impairment	21 016	28 109	28 160	24 607	28 204	28 204	28 204	28 204	36 397	38 545
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	6 300	6 300	6 300	6 300	6 300	-	-
Households below minimum service level										
Water:	-	-	-	29	24	24	29	29	29	29
Sanitation/sewerage:	-	-	-	17	17	17	17	17	17	17
Energy:	-	-	-	80	80	80	80	80	80	80
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 10: Consolidated budget financial performance (Revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		192 025	240 889	243 815	274 406	272 176	272 176	302 613	331 470	370 931
Executive and council		175 608	227 471	240 169	265 376	264 876	264 876	292 146	320 467	359 612
Budget and treasury office		16 417	13 418	3 645	9 030	7 300	7 300	10 467	11 003	11 319
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		16 199	6 098	1 735	97	52	52	55	99	105
Community and social services		16 199	6 098	1 735	97	52	52	55	99	105
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19 072	13 867	7 251	41 140	54 001	54 001	38 867	42 795	45 297
Planning and development		19 072	13 867	7 251	41 140	54 001	54 001	38 867	42 795	45 297
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		280 045	310 258	188 761	51 182	42 892	42 892	37 961	38 795	41 045
Electricity		6 200	39 669	5 256	6 619	4 736	4 736	5 047	5 340	5 650
Water		236 454	233 332	182 657	43 056	37 282	37 282	32 397	32 908	34 817
Waste water management		37 391	37 257	848	1 506	874	874	516	546	578
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	507 341	571 112	441 561	366 825	369 121	369 121	379 496	413 158	457 378
Expenditure - Standard										
<i>Governance and administration</i>		195 227	229 129	171 766	120 106	233 401	233 401	143 916	153 032	164 726
Executive and council		145 568	128 868	38 619	24 418	139 526	139 526	19 975	20 883	22 064
Budget and treasury office		42 082	42 524	48 145	55 002	59 527	59 527	86 628	93 136	101 301
Corporate services		7 577	57 736	85 002	40 686	34 348	34 348	37 313	39 013	41 361
<i>Community and public safety</i>		-	-	19 028	21 054	15 830	15 830	18 184	18 616	19 768
Community and social services		-	-	19 028	21 054	15 830	15 830	18 184	18 616	19 768
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	45 682	39 411	62 770	62 770	55 520	72 802	94 464
Planning and development		-	-	45 682	39 411	62 770	62 770	55 520	72 802	94 464
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		133 020	241 131	164 599	186 253	57 121	57 121	157 187	168 708	178 420
Electricity		19 428	52 604	32 799	22 472	21 455	21 455	23 042	24 401	25 844
Water		86 562	160 477	129 602	161 482	33 527	33 527	131 684	141 792	149 905
Waste water management		27 030	28 050	2 199	2 299	2 138	2 138	2 461	2 515	2 671
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	328 247	470 259	401 076	366 824	369 121	369 121	374 807	413 158	457 378
Surplus/(Deficit) for the year		179 093	100 852	40 485	0	0	0	4 689	0	0

Table 11: Consolidated Budget Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		175 608	227 471	240 169	265 376	264 876	264 876	292 146	320 467	359 612
Vote 3 - FINANCIAL SERVICES		16 417	13 418	3 645	9 030	7 300	7 300	10 467	11 003	11 319
Vote 4 - CORPORATE SERVICES		-	6 098	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		16 199	-	1 587	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	148	97	52	52	55	99	105
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		9 072	13 867	1 929	41 204	51 618	51 618	25 975	28 934	30 617
Vote 8 - ELECTRICITY DEPARTMENT		6 200	39 669	5 256	6 619	4 735	4 735	5 047	5 340	5 650
Vote 9 - WATER SERVICES		236 454	233 332	182 657	32 471	26 697	26 697	32 397	32 908	34 817
Vote 10 - SANITATION DEPARTMENT		37 391	37 257	848	1 506	874	874	516	546	578
Vote 11 - TECHNICAL SERVICES		10 000	-	5 321	10 521	12 968	12 968	12 892	13 861	14 680
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	507 341	571 112	441 561	366 825	369 121	369 121	379 496	413 158	457 378
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL SUPPORT		6 244	6 953	8 840	17 872	11 590	11 590	10 012	10 449	11 003
Vote 2 - BOARD & GENERAL		139 324	121 915	29 779	11 260	132 650	132 650	9 963	10 434	11 061
Vote 3 - FINANCIAL SERVICES		42 082	42 524	48 145	55 002	59 527	59 527	86 628	93 136	101 301
Vote 4 - CORPORATE SERVICES		7 577	57 736	85 002	40 686	34 348	34 348	37 313	39 013	41 361
Vote 5 - COMMUNITY SERVICES		-	-	17 788	19 699	14 496	14 496	16 746	17 146	18 207
Vote 6 - THUSONG SERVICE CENTRE		-	-	1 240	1 356	1 333	1 333	1 438	1 470	1 561
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	36 957	31 945	52 949	52 949	46 946	63 931	85 068
Vote 8 - ELECTRICITY DEPARTMENT		19 428	52 604	32 799	22 472	21 455	21 455	23 042	24 401	25 844
Vote 9 - WATER SERVICES		86 562	160 477	129 602	156 768	28 812	28 812	131 684	141 792	149 905
Vote 10 - SANITATION DEPARTMENT		27 030	28 050	2 199	2 299	2 138	2 138	2 461	2 515	2 671
Vote 11 - TECHNICAL SERVICES		-	-	8 725	7 466	9 821	9 821	8 574	8 871	9 396
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	328 247	470 259	401 076	366 824	369 120	369 120	374 807	413 158	457 378
Surplus/(Deficit) for the year	2	179 093	100 852	40 485	0	0	0	4 689	0	0

Table 12: Consolidated budgeted financial performance and revenue expenditure

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue By Source												
Property rates	2	–	–	–	–	–	–	–	–	–	–	
Property rates - penalties & collection charges	2	–	–	–	–	–	–	–	–	–	–	
Service charges - electricity revenue	2	4 398	5 669	5 256	6 360	4 735	4 735	4 735	5 047	5 340	5 650	
Service charges - water revenue	2	36 454	36 647	19 874	40 144	29 178	29 178	29 178	31 104	32 908	34 817	
Service charges - sanitation revenue	2	1 087	1 257	848	1 506	874	874	874	516	546	578	
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–	
Service charges - other	2	–	–	–	53	0	0	0	–	–	–	
Rental of facilities and equipment	2	104	107	33	198	88	88	88	94	99	105	
Interest earned - external investments	2	12 525	6 709	1 428	1 085	2 500	2 500	2 500	3 772	3 991	4 222	
Interest earned - outstanding debtors	2	1 538	4 462	–	4 712	4 712	4 712	4 712	4 995	5 548	6 408	
Dividends received	2	–	–	–	–	–	–	–	–	–	–	
Fines	2	–	–	–	–	–	–	–	–	–	–	
Licences and permits	2	–	–	–	–	–	–	–	–	–	–	
Agency services	2	–	–	–	–	–	–	–	–	–	–	
Transfers recognised - operational	2	214 251	281 011	237 422	284 387	288 142	288 142	288 142	306 688	335 978	375 692	
Other revenue	2	680	2 036	13 917	28 379	38 891	38 891	38 891	27 280	28 970	30 680	
Gains on disposal of PPE	2	–	–	–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)		271 037	337 898	278 778	366 825	369 121	369 121	369 121	379 496	413 381	458 152	
Expenditure By Type												
Employee related costs	2	70 538	109 915	124 331	135 491	125 330	125 330	125 330	127 745	130 555	138 649	
Remuneration of councillors	2	6 244	6 953	6 721	11 409	7 076	7 076	7 076	7 459	7 832	8 224	
Debt impairment	3	34 954	36 477	17 396	38 511	29 209	29 209	29 209	29 209	32 130	35 343	
Depreciation & asset impairment	2	21 016	28 109	28 160	24 607	28 204	28 204	28 204	28 204	36 397	38 545	
Finance charges	2	1 066	978	1 135	317	707	707	707	1 049	1 114	1 179	
Bulk purchases	2	76 268	77 569	69 403	63 238	60 544	60 544	60 544	64 692	68 703	72 757	
Other materials	8	21 799	36 270	34 991	29 072	30 940	30 940	30 940	35 614	36 397	38 545	
Contracted services	2	7 577	34 369	38 497	18 309	16 809	16 809	16 809	13 869	14 728	15 597	
Transfers and grants	2	–	–	–	3 828	3 000	3 000	3 000	–	–	–	
Other expenditure	4, 5	88 786	139 618	80 440	42 043	67 302	67 302	67 302	66 967	85 524	109 312	
Loss on disposal of PPE	2	–	–	–	–	–	–	–	–	–	–	
Total Expenditure		328 248	470 258	401 075	366 825	369 121	369 121	369 121	374 808	413 380	458 151	
Surplus/(Deficit)		(57 211)	(132 360)	(122 297)	0	0	0	0	4 689	0	0	
Transfers recognised - capital	6	236 304	233 214	162 783	207 653	203 898	203 898	203 898	267 517	268 469	327 392	
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–	
Contributed assets	6	–	–	–	44 520	32 076	32 076	32 076	–	–	–	
Surplus/(Deficit) after capital transfers & contributions		179 093	100 854	40 486	252 174	235 974	235 974	235 974	272 206	268 469	327 393	
Taxation	2	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after taxation		179 093	100 854	40 486	252 174	235 974	235 974	235 974	272 206	268 469	327 393	
Attributable to minorities	2	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) attributable to municipality		179 093	100 854	40 486	252 174	235 974	235 974	235 974	272 206	268 469	327 393	
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) for the year		179 093	100 854	40 486	252 174	235 974	235 974	235 974	272 206	268 469	327 393	

Table 13: Consolidated capital expenditure by vote standard classification and funding

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	44 520	44 520	44 520	44 520	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	172 912	222 386	222 386	222 386	216 597	174 969	259 914
Vote 10 - SANITATION DEPARTMENT		-	-	-	26 986	26 986	26 986	26 986	50 920	93 500	67 478
Vote 11 - TECHNICAL SERVICES		-	-	-	7 755	4 000	4 000	4 000	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	252 173	297 892	297 892	297 892	267 517	268 469	327 392
Total Capital Expenditure - Vote		-	-	-	252 173	297 892	297 892	297 892	267 517	268 469	327 392
Capital Expenditure - Standard											
Governance and administration		-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	52 275	4 000	4 000	4 000	-	-	-
Planning and development		-	-	-	52 275	4 000	4 000	4 000	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	261 057	127 973	199 898	244 248	244 248	244 248	267 517	268 469	327 392
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	255 188	119 399	172 912	217 262	217 262	217 262	216 597	174 969	259 914
Waste water management		-	5 869	8 574	26 986	26 986	26 986	26 986	50 920	93 500	67 478
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392
Funded by:											
National Government		-	261 057	127 973	207 653	203 898	203 898	203 898	267 517	268 469	327 392
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	44 520	32 076	32 076	32 076	-	-	-
Transfers recognised - capital	4	-	261 057	127 973	252 173	235 974	235 974	235 974	267 517	268 469	327 392
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	12 274	12 274	12 274	-	-	-
Total Capital Funding	7	-	261 057	127 973	252 173	248 248	248 248	248 248	267 517	268 469	327 392

References

Table 14: Consolidated budgeted financial position

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		11 614	10 664	12 784	10 289	18 859	18 859	18 859	2 000	1 000	1 500
Call investment deposits	1	130 142	715	1 021	15 000	15 000	15 000	15 000	2 000	10 000	10 000
Consumer debtors	1	14 037	13 571	18 527	44 056	8 045	8 045	8 045	8 205	4 167	4 251
Other debtors		77 275	30 517	25 705	38 402	38 402	38 402	38 402	36 668	38 795	41 045
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	42 920	86 842	86 985	65	65	65	65	60	64	67
Total current assets		275 990	142 308	145 022	107 812	80 371	80 371	80 371	48 933	54 026	56 863
Non current assets											
Long-term receivables		–	–	–	–	–	–	–			
Investments		–	–	–	–	–	–	–			
Investment property		–	–	–	–	–	–	–			
Investment in Associate		–	–	–	–	–	–	–			
Property, plant and equipment	3	1 241 567	1 474 996	1 575 718	1 433 453	1 433 453	1 433 453	1 433 453	1 641 571	1 733 565	1 837 615
Agricultural		–	–	–	–	–	–	–			
Biological		–	–	–	–	–	–	–			
Intangible		30	327	512	31	31	31	31	184	196	208
Other non-current assets		–	–	–	–	–	–	–			
Total non current assets		1 241 596	1 475 323	1 576 230	1 433 484	1 433 484	1 433 484	1 433 484	1 641 756	1 733 761	1 837 823
TOTAL ASSETS		1 517 586	1 617 631	1 721 252	1 541 296	1 513 855	1 513 855	1 513 855	1 690 689	1 787 786	1 894 686
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–			
Borrowing	4	2 829	11 698	2 397	1 301	1 301	1 301	1 301	1 500	1 500	1 500
Consumer deposits		2 499	1 862	1 988	40	40	40	40	22	23	24
Trade and other payables	4	152 205	143 746	210 430	96 717	63 355	63 355	63 355	63 355	63 355	63 355
Provisions		210	109	108	4 026	4 026	4 026	4 026			
Total current liabilities		157 744	157 415	214 923	102 084	68 722	68 722	68 722	64 876	64 878	64 879
Non current liabilities											
Borrowing		9 905	8 606	8 029	7 578	7 578	7 578	7 578	7 751	7 290	6 330
Provisions		3 260	4 080	4 779	–	–	–	–	–	–	–
Total non current liabilities		13 165	12 686	12 808	7 578	7 578	7 578	7 578	7 751	7 290	6 330
TOTAL LIABILITIES		170 908	170 100	227 731	109 662	76 300	76 300	76 300	72 628	72 168	71 209
NET ASSETS	5	1 346 677	1 447 531	1 493 520	1 431 634	1 437 555	1 437 555	1 437 555	1 618 061	1 715 618	1 823 477
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	1 346 677	1 447 530	1 493 520	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807
Reserves		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	1 346 677	1 447 530	1 493 520	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807	1 683 807

Table 15: Consolidated budgeted cash flow

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges		41 940	43 573	25 978	48 063	12 221	12 221	12 221	21 996	26 553	28 119
Other revenue		104	796	1 461	28 577	55 391	55 391	55 391	26 915	28 583	30 270
Government - operating	1	177 578	226 560	237 422	284 387	287 042	287 042	287 042	306 688	335 578	375 292
Government - capital	1	253 212	233 214	162 783	207 653	203 898	203 898	203 898	267 517	268 469	327 392
Interest		12 525	2 204	1 428	5 797	2 500	2 500	2 500	324	344	365
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(139 173)	(386 002)	(295 891)	(299 562)	(361 888)	(361 888)	(361 888)	(321 823)	(343 740)	(380 548)
Finance charges		(1 066)	(978)	(1 135)	(317)	(707)	(707)	(707)	(1 049)	(1 114)	(1 179)
Transfers and Grants	1	–	–	–	(3 828)	(3 000)	(3 000)	(3 000)	(5 558)	(5 558)	(5 558)
NET CASH FROM/(USED) OPERATING ACTIVITIES		345 120	119 367	132 046	270 770	195 457	195 457	195 457	295 009	309 115	374 153
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	835	(300)	70	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (Increase) other non-current receivables		–	(398)	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current investments		–	–	–	15 000	–	–	–	–	–	–
Payments											
Capital assets		(291 241)	(262 275)	(128 319)	(252 173)	(288 371)	(288 371)	(288 371)	(267 517)	(268 469)	(327 392)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(291 241)	(261 837)	(128 620)	(237 103)	(288 371)	(288 371)	(288 371)	(267 517)	(268 469)	(327 392)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		(1 119)	(325)	(196)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		3 109	4 522	–	42	42	42	42	–	–	–
Payments											
Repayment of borrowing		8 385	7 895	(4 521)	(1 300)	(1 300)	(1 300)	(1 300)	(711)	(1 500)	(1 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES		10 375	12 092	(4 716)	(1 258)	(1 258)	(1 258)	(1 258)	(711)	(1 500)	(1 500)
NET INCREASE/ (DECREASE) IN CASH HELD		64 253	(130 379)	(1 290)	32 409	(94 173)	(94 173)	(94 173)	26 781	39 147	45 261
Cash/cash equivalents at the year begin:	2	77 504	141 757	15 095	12 696	12 696	12 696	12 696	(26 781)	0	39 147
Cash/cash equivalents at the year end:	2	141 757	11 378	13 805	45 106	(81 476)	(81 476)	(81 476)	0	39 147	84 408

Table 16: Consolidated cash backed reserves/accumulated surplus reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	141 757	11 378	13 805	45 106	(81 476)	(81 476)	(81 476)	0	39 147	84 408
Other current investments > 90 days		(0)	0	(0)	(19 817)	115 335	115 335	115 335	4 000	(28 147)	(72 908)
Non current assets - investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		141 757	11 378	13 805	25 289	33 859	33 859	33 859	4 000	11 000	11 500
Application of cash and investments											
Unspent conditional transfers		77 202	21 851	39 698	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(11 734)	82 911	140 335	19 036	23 340	23 340	23 340	31 563	31 088	29 551
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		65 468	104 762	180 033	19 036	23 340	23 340	23 340	31 563	31 088	29 551
Surplus(shortfall)		76 288	(93 383)	(166 228)	6 253	10 519	10 519	10 519	(27 563)	(20 088)	(18 051)

Table 17: Consolidated assets management

Choose name from list - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	-	-	-	-	-	-
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	12 194	12 194	12 194	12 194	12 194	12 194
Infrastructure - Water		-	-	-	648 652	648 652	648 652	648 652	648 652	648 652
Infrastructure - Sanitation		-	-	-	21 036	21 036	21 036	21 036	21 036	21 036
Infrastructure - Other		-	-	-	2 862	2 862	2 862	2 862	2 862	2 862
Infrastructure		-	-	-	684 744	684 744	684 744	684 744	684 744	684 744
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	853 199	853 199	853 199	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		30	327	512	31	31	31	184	196	208
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	30	327	512	1 537 974	1 537 974	1 537 974	684 928	684 940	684 952
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		21 016	28 109	28 160	24 607	28 204	28 204	28 204	36 397	38 545
<u>Repairs and Maintenance by Asset Class</u>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		21 016	28 109	28 160	24 607	28 204	28 204	28 204	36 397	38 545
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 18: Consolidated basic service delivery measurement

DC27 Umkhanyakude - Table A10 Consolidated basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	25	25	25	27	30	30
Piped water inside yard (but not in dwelling)		-	-	-	40	40	40	42	46	46
Using public tap (at least min.service level)	2	-	-	-	31	31	31	30	37	37
Other water supply (at least min.service level)	4	-	-	-	6	6	6	7	9	9
<i>Minimum Service Level and Above sub-total</i>		-	-	-	101 385	101 385	101 385	106 000	121 785	121 785
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	29	29	29	22	19	19
<i>Below Minimum Service Level sub-total</i>		-	-	-	28 909	28 909	28 909	22 000	18 909	18 909
Total number of households	5	-	-	-	130 294	130 294	130 294	128 000	140 694	140 694
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	14	14	14	14	14	14
Flush toilet (with septic tank)		-	-	-	5	5	5	5	6	6
Chemical toilet		-	-	-	27	27	27	28	32	32
Pit toilet (ventilated)		-	-	-	36	36	36	37	40	40
Other toilet provisions (> min.service level)		-	-	-	29	29	29	30	33	33
<i>Minimum Service Level and Above sub-total</i>		-	-	-	110 686	110 686	110 686	113 686	124 044	124 044
Bucket toilet		-	-	-	1	1	1	0	0	0
Other toilet provisions (< min.service level)		-	-	-	7	7	7	6	7	7
No toilet provisions		-	-	-	12	12	12	11	10	10
<i>Below Minimum Service Level sub-total</i>		-	-	-	19 509	19 509	19 509	17 013	16 650	16 650
Total number of households	5	-	-	-	130 195	130 195	130 195	130 699	140 694	140 694
Energy:										
Electricity (at least min.service level)		-	-	-	50	50	50	50	60	60
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	50 207	50 207	50 207	50 207	60 207	60 207
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	80	80	80	80	80	80
<i>Below Minimum Service Level sub-total</i>		-	-	-	79 987	79 987	79 987	79 987	80 487	80 487
Total number of households	5	-	-	-	130 194	130 194	130 194	130 194	140 694	140 694
Refuse:										
Removed at least once a week		-	-	-	22	22	22	-	28	28
<i>Minimum Service Level and Above sub-total</i>		-	-	-	21 534	21 534	21 534	-	27 534	27 534
Removed less frequently than once a week		-	-	-	1	1	1	1	1	1
Using communal refuse dump		-	-	-	1	1	1	1	1	1
Using own refuse dump		-	-	-	97	97	97	97	104	104
Other rubbish disposal		-	-	-	2	2	2	2	1	1
No rubbish disposal		-	-	-	8	8	8	8	7	7
<i>Below Minimum Service Level sub-total</i>		-	-	-	108 660	108 660	108 660	108 660	113 160	113 160
Total number of households	5	-	-	-	130 194	130 194	130 194	108 660	140 694	140 694
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	130	130	130	132	141	141
Sanitation (free minimum level service)		-	-	-	130	130	130	132	141	141
Electricity/other energy (50kwh per household per month)		-	-	-	130	130	130	132	141	141
Refuse (removed at least once a week)		-	-	-	130	130	130	132	141	141
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		-	-	-	39	39	39	39	40	40
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided (minimum social package)		-	-	-	39	39	39	39	40	40
Highest level of free service provided										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	39	39	39	39	40	40
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kw h per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	39	39	39	39	40	40
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)		-	-	-	39	39	39	39	40	40

PART 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The budget process followed to compile the budget complies with legislation and good budget practices. There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;


The municipality's revenue and tariff setting strategies are to ensure that the cash resources needed to deliver services are available; and the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required budget time schedule on August 2015. Key dates applicable to the process were

Table 19: Schedule of key deadline for budget

		
UMKHANYAKUDE DISTRICT MUNICIPALITY		
SCHEDULE OF KEY DEADLINE		
SCHEDULE OF KEY DEADLINE		
Description	Submission date	Legislature
Make public, performance agreements of S.57 (MSA) employees & submit to Council & MEC Local Government (within 14 days of approval of SDBIP)	30-Jul-16	MSA Section 57
Submit municipal audit file, AFS and performance report to AG	30-Aug-16	MFMA Section 126
Submit consolidated audit file, AFS and performance report to AG by 30 September	30-Sep-16	MFMA Section 126
Receive Audit Report on consolidated AFS from AG	31-Dec-15	MFMA Section 126(3)
Submit adjustment budget 2013-2014 to Mayor, Provincial Treasury and National Treasury	25-Jan-17	MFMA Section 72
Table annual budget & supporting documents to council	29-Mar-17	MFMA Section 16 and 17
Public hearings on the budget	20-24 May 2017	MFMA Section 23
Approval of the annual budget	30-May-17	MFMA Section 24(1)
Approval of the SDBIP by the Mayor	28-Jun-17	MFMA Section 53(1)
Submit approved budget to Cogta, Provincial Treasury and National Treasury	13-Jun-17	MFMA Section 24

The budget together with the IDP is reviewed annually as per Section 21 of the Municipal Finance Management Act no 56 of 2003 and S34 of the Municipal Systems Act no.32 of 2000. The Municipality has resolved in eliminating unnecessary expenditure, paying off creditors and maximizing debt recovery. This annual review is as a result of the relevant regulations and priorities which are reviewed from year to year.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP/Budget Process Plan was also formulated and adopted on August 2015 together with the District IDP Framework. The IDP/Budget Process Plan outlines in detail, the way in which the municipality embarked on its IDP and Budget processes from its commencement in July 2016 to its completion in June 2017. The IDP/Budget Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. All these

plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

2.1.2 Key IDP Processes and Deliverables

- Setting the scene to manage the planning process and legal requirements in planning for the implementation of the integrated planning system;
- A Programme specifying time schedule that guide IDP and budget planning processes and various planning steps;
- Outlining appropriate mechanisms, processes and procedures on how the public, stakeholders, state organs can participate in the drafting of the IDP and formulation of the budget structures that will be used to ensure this participation;
- Indicate necessary organizational arrangements to ensure the successful implementation of the integrated development planning process;
- Binding plans and planning requirements, i.e. policy and legislation; and
- Programme specifying how the process will be monitored in order to manage the progress of the IDP and budget processes.

The IDP has been taken into a business and financial planning process leading up to the 2016-2017 MTREF, based on the approved 2015-2016 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections

2.1.3 Financial Modeling and Key Planning Drivers

During the compilation of the 2016-2017 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016-2017 MTREF:

- Growth within the municipality
- Priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/2015 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;

- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 and 79 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2016-2017 MTREF will be tabled before Council on March 2016 for community consultation was published on the municipality's notice board, and hard copies were made available Local Municipality's offices, and advertised on the newspaper. All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees utilised to facilitate the community consultation process from 18 to 22 April 2016, and included public briefing sessions. The applicable dates and venues will publish in all the newspapers and on average attendance of 200 was recorded per meeting. This is based on the previous year's process. This can be attributes to the additional initiatives that will be launch during the consultation process, including the specific targeting of our service charges payer. Individual sessions are scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders that will be involved in the consultation are churches, non-governmental institutions and community-based organisations.

2.2 Overview of alignment of annual budget with Integrated Development Plan

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the

municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following KPAs will inform the strategic direction of the Municipality 2016-2017:

- Good Governance and Community Participation
- Service Delivery and Infrastructure Investment
- Local Economic Development
- Municipal Transformation and Institutional Development
- Municipal Financial Viability and Management
- Spatial Planning and Environmental Management

2.2.1 Strategic objectives

- Good Governance & Clean administration
- Accelerating the provision of basic infrastructure, particularly water, sanitation, electricity etc.
- Promotion of sustainable Environmental Health Services;

- Facilitating and Promotion of Economic Development through Agriculture and Tourism as key drivers;
- Promotion of Social and Community Development;
- Facilitating Skills Development;
- Implementation of Poverty eradication and Food Security programmes;
- Revenue enhancement;
- Promotion of effective Communication and Information Technology (IT); and
- Facilitating Effective Environmental Planning & Management Services in the district
- And many more priority areas as outlined in details in the IDP.

Only a member or committee of a municipal council may introduce a proposal for amending the municipality's integrated development plan in the council. Any proposal for amending a municipality's integrated development plan must be accompanied by a memorandum setting out the reasons for the proposal.

An amendment to a municipality's integrated development plan would be adopted by a decision taken by a municipal council in accordance with the rules and orders of the Council. No amendment to a municipality's integrated development plan may be adopted by the municipal council unless:

- All the members of the council have been given reasonable notice;
- The proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment

Should the intention to amend the IDP emanate from the district, the municipality must:

- Consult all the five local municipalities in the area of the district municipality on the proposed amendment; and
- Take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.

In case where a local municipality considers an amendment to its integrated development plan; such municipality must:

- Consult the UMkhanyakude District municipality on the proposed amendment; and

- Take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the revised IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;
- Initiating the planning processes that involve the communities in the analysis and planning. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2016-2017 MTREF has therefore been directly informed by the IDP revision process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy			36 454	36 647	13 917	28 379	38 891	38 891	27 280	28 970	30 680	
Basic Service Delivery	To provide basic service delivery			456 391	524 356	400 205	492 040	492 040	492 040	574 205	604 447	703 084	
Local Economic Development	Continuous improvement of local economy			1 087	1 257	848	1 506	874	874	516	546	578	
Municipal Financial Viability	To provide stable financial management			–	–	1 461	6 048	7 300	7 300	8 861	9 638	10 735	
Good Governance & public participation	Maintain good governance			12 680	6 843	19 874	40 144	29 178	29 178	31 104	32 908	34 817	
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatial			1 160	2 185	5 256	6 360	4 735	4 735	5 047	5 340	5 650	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
NIL	NIL			–	–	–	–	–	–	–	–	–	
Allocations to other priorities				2	–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)				1	507 772	571 288	441 561	574 477	573 019	573 019	647 014	681 850	785 543

Table 21: MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy	A		104 111	57 736	34 991	32 900	33 940	33 940	36 663	37 511	39 724	
Basic Service Delivery	To provide basic service delivery	B		134 729	121 915	124 331	135 491	125 330	125 330	127 745	130 555	138 649	
Local Economic Development	Continuous improvement of local economy	C		6 244	6 953	6 721	11 409	7 076	7 076	7 459	7 832	8 224	
Municipal Financial Viability	To provide stable financial management	D		22 082	42 524	29 295	24 924	28 911	28 911	28 204	36 397	38 545	
Good Governance & public participation	Maintain good governance	E		61 082	241 131	167 239	143 792	157 055	157 055	160 868	186 357	217 412	
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent	F		-	-	38 497	18 309	16 809	16 809	13 869	14 728	15 597	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
NIL	NIL	NIL		-	-	-	-	-	-	-	-	-	
Allocations to other priorities				-	-	-	-	-	-	-	-	-	
Total Expenditure				1	328 248	470 259	401 074	366 825	369 121	369 121	374 808	413 380	458 151

Table 22: MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy	A		-	-		7 755	-	-	-	-	-
Basic Service Delivery	To provide basic service delivery	B		236 000	255 188	119 399	172 912	217 262	217 262	216 597	174 969	259 914
Local Economic Development	Continuous improvement of local economy	C		-	-		44 520	4 000	4 000	-	-	-
Municipal Financial Viability	To provide stable financial management	D		-	-		-	-	-	-	-	-
Good Governance & public participation	Maintain good governance	E		6 304	5 869	8 574	26 986	26 986	26 986	50 920	93 500	67 478
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent	F		-	-		-	-	-	-	-	-
NIL	NIL	G		-	-		-	-	-	-	-	-
NIL	NIL	H		-	-		-	-	-	-	-	-
NIL	NIL	I		-	-		-	-	-	-	-	-
NIL	NIL	J		-	-		-	-	-	-	-	-
NIL	NIL	K		-	-		-	-	-	-	-	-
NIL	NIL	L		-	-		-	-	-	-	-	-
NIL	NIL	M		-	-		-	-	-	-	-	-
NIL	NIL	N		-	-		-	-	-	-	-	-
NIL	NIL	O		-	-		-	-	-	-	-	-
NIL	NIL	P		-	-		-	-	-	-	-	-
Allocations to other priorities			3	-	-		-	-	-	-	-	-
Total Capital Expenditure			1	242 304	261 057	127 973	252 173	248 248	248 248	267 517	268 469	327 392

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows

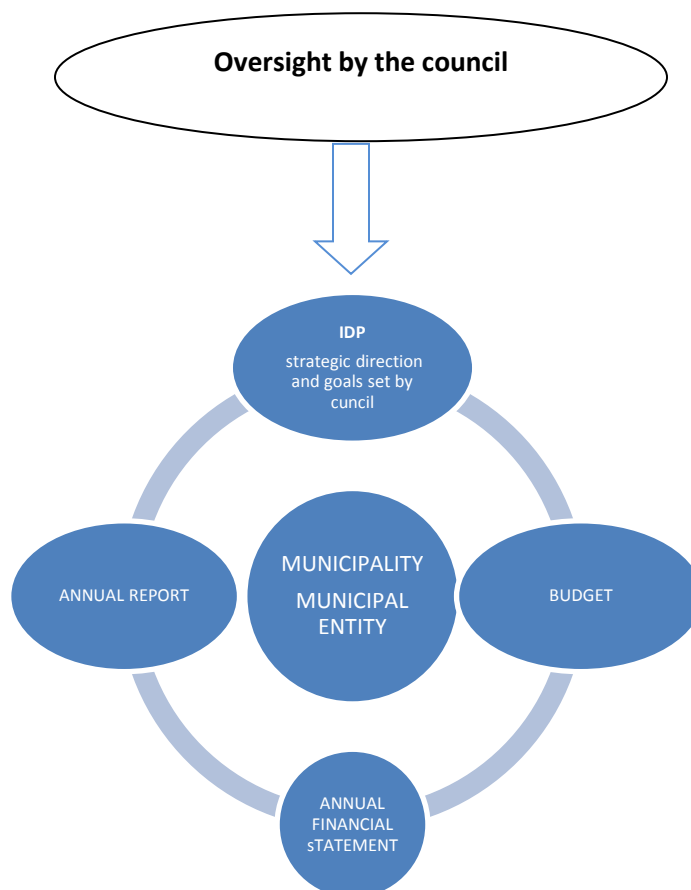


Figure 2: Planning, budgeting and reporting cycle

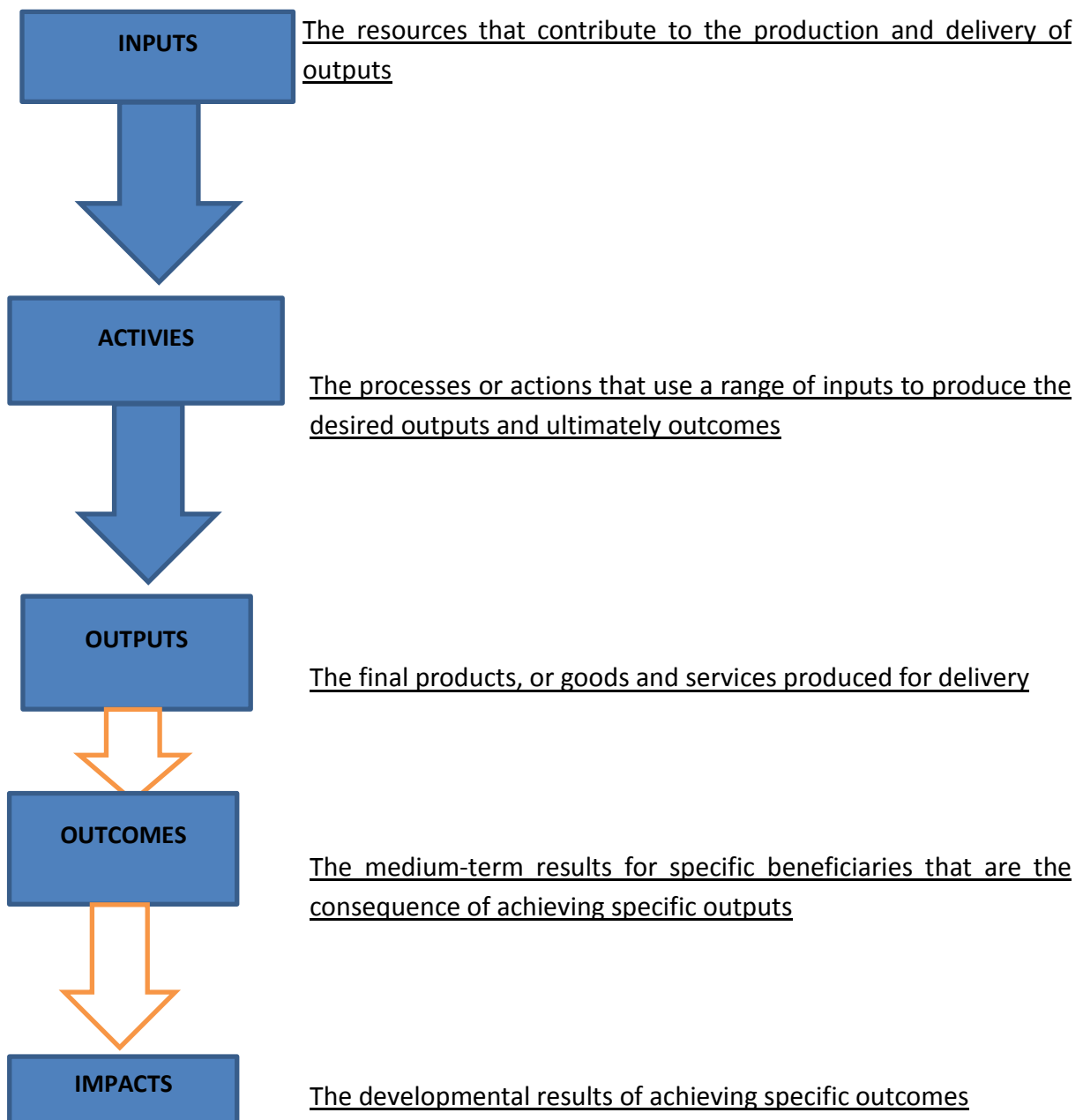
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

Figure 3: Definition of performance information concepts



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23: MBRR Table SA7 - Measurable performance objectives

DC27 Umkhanyakude - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Good governance and community participation</i>	NIL	0.0%	0.0%	0.0%	240000	240000	240000	240000	240000	240000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Service delivery and infrastructure</i>	NIL	0.0%	0.0%	0.0%	40528000	40528000	40528000	40528000	40528000	40528000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Sustainable local economic development</i>	NIL	0.0%	0.0%	0.0%	40528000	40528000	40528000	40528000	40528000	40528000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transformation and institution development</i>	NIL	0.0%	0.0%	0.0%	196603000	196603000	196603000	196603000	196603000	196603000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Municipal financial viability and management</i>	NIL	0.0%	0.0%	0.0%	48558000	48558000	48558000	48558000	48558000	48558000
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure's description</i>	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	NIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2016-2017 MTREF.

Table 24: MBRR Table SA8 - Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-2.2%	-1.5%	1.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-12.9%	-12.2%	13.7%	2.0%	2.7%	2.7%	2.7%	2.4%	3.4%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.7	0.9	0.7	1.1	1.2	1.2	1.2	0.8	0.8	0.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	0.9	0.7	1.1	1.2	1.2	1.2	0.8	0.8	0.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.1	0.1	0.2	0.5	0.5	0.5	0.1	0.2	0.2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	99.1%	100.0%	100.0%	42.9%	42.9%	42.9%	60.0%	68.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	100.0%	42.9%	42.9%	42.9%	60.0%	68.4%	68.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	33.7%	13.0%	15.9%	22.5%	12.8%	12.8%	12.8%	11.8%	10.4%	9.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		52.9%	1071.3%	1236.8%	214.4%	-77.8%	-77.8%	-77.8%	17549937.1%	161.8%	75.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.0%	32.5%	44.6%	36.9%	34.5%	34.5%	34.5%	33.7%	31.6%	30.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	37.7%	37.5%	37.5%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.1%	8.6%	10.5%	6.8%	8.0%	8.0%	8.0%	7.7%	9.1%	8.7%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	(10.0)	9.6	5.8	21.7	21.7	21.7	72.2	39.5	41.5	44.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	217.2%	100.9%	170.1%	170.9%	162.5%	162.5%	162.5%	122.1%	110.5%	110.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.8	0.4	0.6	1.8	(3.5)	(3.5)	(3.5)	0.0	1.6	3.1

2.3.1 Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and the municipality is not planning to have a long term borrowing in 2016-2017. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, UMkhanyakude District's borrowing strategy is primarily informed by the affordability of debt repayments.

Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2016-2017 financial year there is no ratio movement in the municipality

Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than the liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure the compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services. The municipality is working on the implementation of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy registered households are entitled to 6kℓ free water. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement). Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of an upgrade plan;
- The Water Division will embark on training programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants.

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following policies were reviewed and approved in 2015-2016 by the council of UMkhanyakude District Municipality.

2.4.1 Asset Management Policy

The objectives of this policy are to:

- Safeguard the assets of UMkhanyakude District Municipality and to ensure the effective and optimal use of its assets;
- Enhance a culture of accountability over assets;
- Ensure that effective internal controls are communicated to management and staff through clear and comprehensive written documentation; and
- To provide a formal set of financial procedures that can be implemented to ensure that UMkhanyakude District Municipality's fixed asset policies are achieved and are in compliance with generally recognised accounting practise (GRAP 17).
- A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.
- Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management policy, is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.2 Supply Chain Management Policy

The Supply Chain Management Policy has been reviewed and will be tabled to council with draft budget. The UMkhanyakude Municipality resolved in terms of section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy that gives effect to section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act is fair, equitable, transparent, competitive and

cost effective; complies with the Regulations; and any minimum norms and standards that may be prescribed in terms of section 168 of the Act, is consistent with other applicable legislation e.g. Broad Based Black Economic Empowerment (BBBEE), does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and is consistent with national economic policy concerning the promotion of investments and doing business with the public sector, assign responsibility for the implementation of the policy to the Accounting Officer of the Municipality.

2.4.3 Expenditure management policy

In terms of section 65 of the MFMA, the accounting officer of each municipality is required to take all reasonable steps to ensure that the expenditure including the payments and financial documents thereof are properly controlled and managed. It is therefore against this background that expenditure, payments and financial documents management policy is developed and approved by the council.

2.4.4 Risk management framework and risk management policy

Risk management is recognised as an integral part of responsible management and the Institution therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Institution's Risk Management Framework. It is expected that all departments / sections, operations and processes will be subject to the risk management framework. It is the intention that these departments / sections will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

Effective risk management is imperative to the Institution to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the Institution.

2.4.5 Indigent policy

The provision of basic services to the community is in a sustainable manner, within the financial means of Council and to provide procedures and guidelines for the subsidisation of service charges and rates to its indigent households, using a portion or the whole of the Equitable Share for this purpose.

Council also recognises that many of the residents can simply not afford to pay the required service charges and rates, and Council will endeavour to ensure affordability through. Setting rates and tariffs which will balance the economic viability of continued service delivery and determine appropriate service levels.

The following policies were tabled and approved by council during draft budget period

- Budget preparation and Implementation policy
- Supply Chain Management Policy
- SCM Delegations
- Cash Management and Investment Policy
- Tariff Policy
- Credit Control and Debts Collection policy; and
- Virements policy.

2.5 Overview of budget assumptions

External factors

The economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2016-2017 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity with 6.6 per cent and bulk water with 8 per cent;
- Depreciation calculation is based on the assumption that it won't increase for 2016-2017 as it has been adjusted during the adjustment budget.
- The increase in the cost of remuneration. Employee related costs comprise 34 percent of total consolidated operating expenditure in the 2016-2017 MTREF.
- Debt impairment calculation is based on the assumption that it won't increase for 2016-2017 as it has been adjusted during the adjustment budget.

Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. However, for simplicity the 2016-2017 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The following projects will assist in improving revenue collection:

- Data Cleansing
- Installation of meters

The data cleansing project will be funded by CoGTA as part of the support provided to the municipality. Installation of water meters (both bulk and household) is a multi-year project that is funded through MIG.

The rate of revenue collection is currently very low since the community of UMkhanyakude have a high rate of unemployment and indigent.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

The increase on salaries for 2016/2017 is based on the Bargaining Council salary agreement which is CPI plus 1 per cent. Therefore salaries for employees have been increased by 7,6 per cent.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2016-2017 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

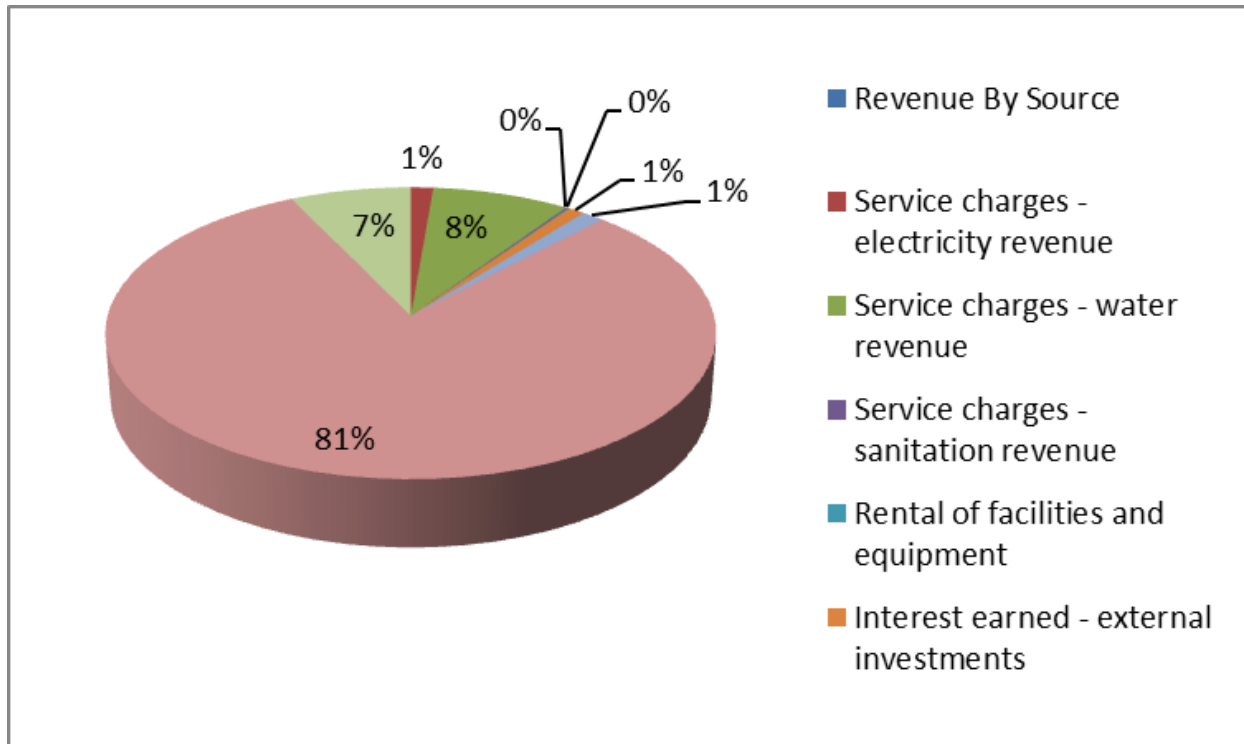
Table 25: Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

DC27 Umkhanyakude Consolidated Budget Summary						
Description		2016/17 Medium Term Revenue & Expenditure				
R thousands	%	Budget year 2016/17	%	Budget year +1 2017/18	%	Budget year +2 2018/19
Revenue By Source						
Service charges - electricity revenue	1%	5 047 499	1%	5 340 254	1%	5 649 989
Service charges - water revenue	8%	31 103 981	8%	32 908 012	8%	34 816 677
Service charges - sanitation revenue	0%	516 345	0%	546 293	0%	577 978
Rental of facilities and equipment	0%	93 819	0%	99 260	0%	105 017
Interest earned - external investments	1%	3 772 000	1%	3 990 776	1%	4 222 241
Interest earned - outstanding debtors	1%	4 995 123	1%	5 284 840	1%	5 591 361
Transfers recognised - operational	81%	306 688 100	81%	335 978 050	82%	375 691 750
Other revenue	7%	27 279 609	7%	28 970 121	7%	30 679 795
Total revenue (excluding capital contribution)	100%	379 496 476	100%	413 117 607	100%	457 334 808

The following graph is a breakdown of the operational revenue per main category for the 2016-2017 financial year.

Figure 4: Breakdown of operating revenue over the 2016-2017 MTREF



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity and sanitation. Operating and capital grants is from organs of state and other minor charges (such as new connection fees etc.)

The revenue strategy is a function of key components such as:

- Growth in the UMkhanyakude and economic development;
- Revenue management and enhancement;
- Improvement in collection rate for consumer revenue;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers aligned to the economic forecasts.

The proposed tariff increases for the 2016-2017 MTREF on the different revenue categories are:

Table 26: Proposed tariff increases over the medium-term

R thousands	2016/17 Medium Term Revenue & Expenditure		
	Budget year 2016/17	Budget year +1 2017/18	Budget year +2 2018/19
Revenue by source			
Service charges - electricity revenue	5 047 499	5 340 254	5 649 989
Service charges - water revenue	31 103 981	32 908 012	34 816 677
Service charges - sanitation revenue	516 345	546 293	577 978
Total service charges	36 667 825	38 794 559	41 044 644

Services charges relating to electricity, water and sanitation constitutes the revenue totalling R37 million for the 2016-2017 financial year and R39 million by 2016-2017, and increasing to R41 million in 2017-2018. The 2016-2017 financial year services charges amount to 12 per cent of the total revenue.

Operational grants and subsidies consolidated amount to R 306 million (2016-2017), R336 million (2017-2018) and R403.2 million (2018-2019) for each of the respective financial years of the MTREF operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is 80 per cent of services charges.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R3.7 million, R3.9 million and R4 million for the respective three financial years of the 2015-2016 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity

Table 27: MBRR SA 15 Investment particular by type

DC27 Umkhanyakude - Supporting Table SA15 Investment particulars by type

2015/16 Medium Term Revenue & Expenditure Framework										
Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

Table 28: MBRR SA16 Investment particular maturity

Choose name from list - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
Name of institution & investment ID	1	Yrs/Months							
Parent municipality									
Municipality sub-total									
Entities									
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity

Table 29: Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016-2017 medium-term capital programmes:

Funded by:	<i>Draft Budget 2016-2017</i>	<i>Draft Budget year+1 2017-2018</i>	<i>Draft Budget year+2 2018-2019</i>
National Government	267 516 900	268 468 950	327 392 250
Provincial Government			
District Municipality			
Other transfers and grants			
Transfers recognised	267 516 900	268 468 950	327 392 250

The above table is graphically represented as follows for the 2016-2017 financial year.

Figure 5: Medium-term outlook: capital revenue

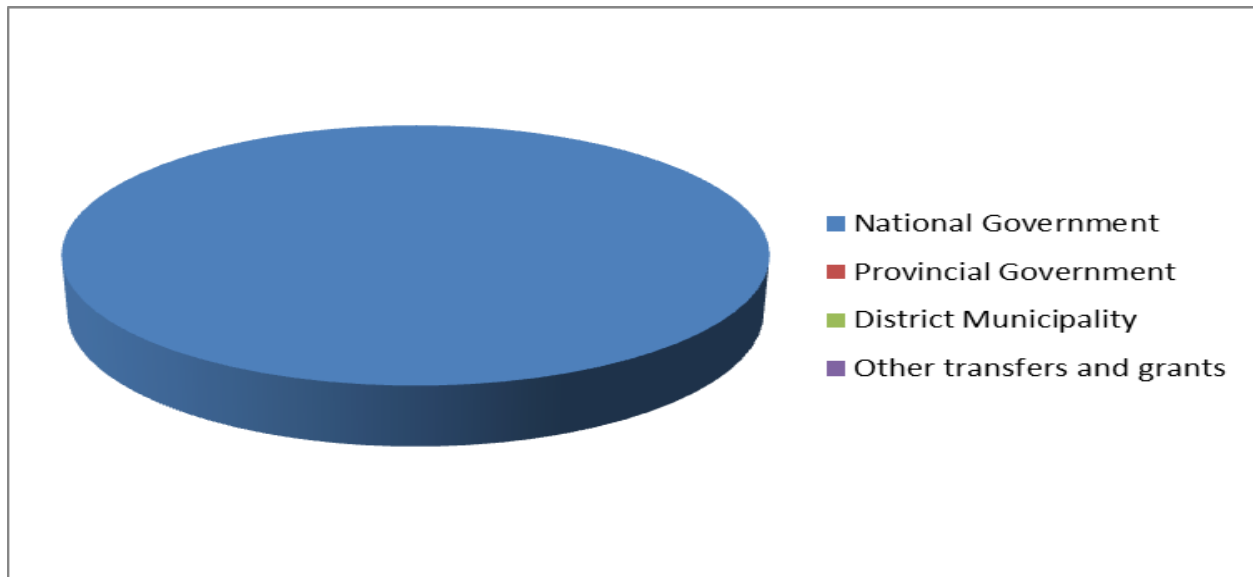


Table 30: MBRR SA 17 - Detail of borrowings

The municipality budgeted for 2016-2017 the outstanding loan with DBSA

DC27 Umkhanyakude - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)		9 805	9 732		8 172	8 172	8 172	7 873	7 428	5 868
Long-Term Loans (non-annuity)		-	-		-	-	-	-	-	-
Local registered stock		-	-		-	-	-	-	-	-
Instalment Credit		-	-		-	-	-	-	-	-
Financial Leases		-	-		167	167	167	270	150	150
PPP liabilities		-	-		-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-		-	-	-	-	-	-
Marketable Bonds		-	-		-	-	-	-	-	-
Non-Marketable Bonds		-	-		-	-	-	-	-	-
Bankers Acceptances		-	-		-	-	-	-	-	-
Financial derivatives		-	-		-	-	-	-	-	-
Other Securities		-	-		-	-	-	-	-	-
Municipality sub-total	1	9 805	9 732	-	8 339	8 339	8 339	8 143	7 578	6 018
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	9 805	9 732	-	8 339	8 339	8 339	8 143	7 578	6 018

Figure 6: Growth in outstanding borrowings (long-term liabilities)

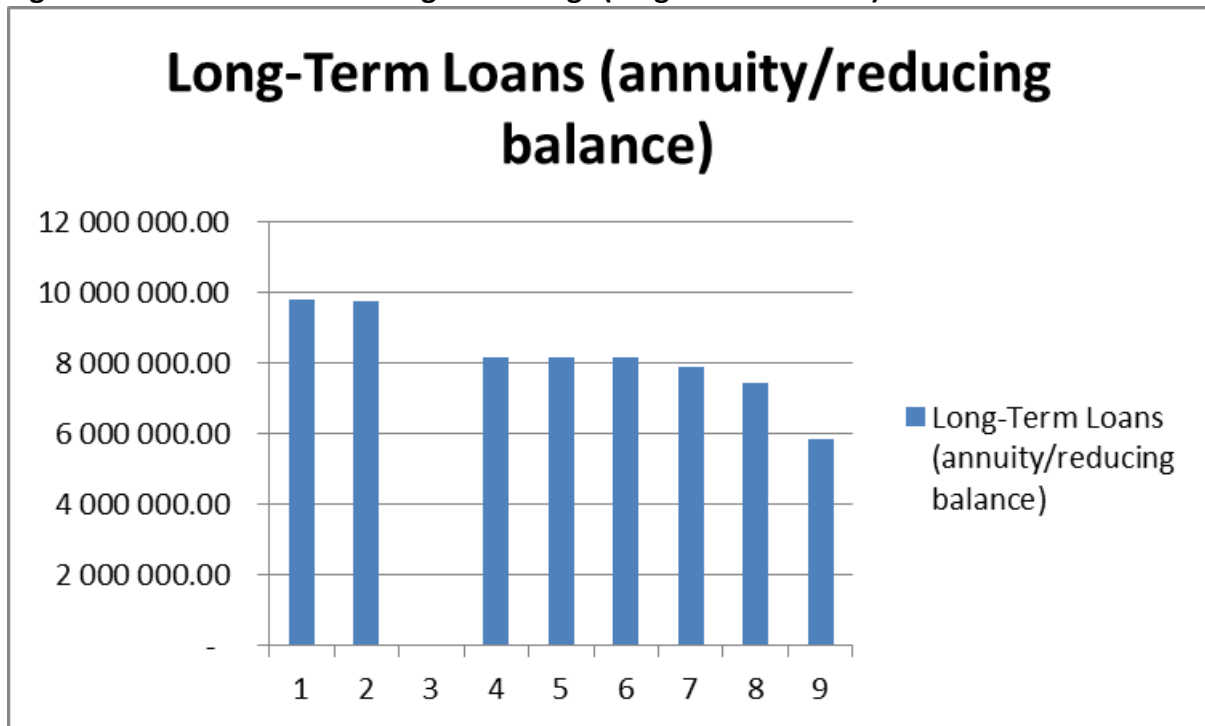


Table 31: MBRR SA 18 - Capital transfers and grant receipt

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		213 188	281 011	-	283 287	287 042	287 042	306 288	335 578	375 292
Local Government Equitable Share		174 928	193 756	-	265 376	265 376	265 376	292 146	320 467	359 612
Finance Management		1 250	1 250	-	1 250	1 250	1 250	1 250	1 250	1 000
Municipal Systems Improvement		1 000	890	-	940	940	940	-	-	-
Water Services Operating Subsidy		-	-	-	5 200	5 200	5 200	-	-	-
Rural Assets management		-	-	-	-	2 447	2 447	2 516	2 676	2 817
Expanded Public Works Programme(EPWP)		-	-	-	-	1 308	1 308	-	-	-
Other transfers and grants (Project Management)		36 010	85 115	-	10 521	10 521	10 521	10 376	11 185	11 863
Provincial Government:		-	-	-	1 100	1 100	1 100	400	400	400
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Development Planning and Shared Services		-	-	-	1 100	1 100	1 100	400	400	400
District Municipality:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	213 188	281 011	-	284 387	288 142	288 142	306 688	335 978	375 692
Capital Transfers and Grants										
National Government:		239 162	234 339	158 285	207 653	203 898	203 898	267 517	268 469	327 392
Municipal Infrastructure Grant (MIG)		236 304	233 214	155 719	199 898	199 898	199 898	197 146	212 516	225 392
Rural Assets Management		1 776	-	2 440	2 447	-	-	-	-	-
Rural Households Infrastructure		-	-	-	4 000	4 000	4 000	-	-	-
nil		-	-	-	-	-	-	70 371	55 953	102 000
nil		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme(EPWP)		1 082	1 125	126	1 308	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	239 162	234 339	158 285	207 653	203 898	203 898	267 517	268 469	327 392
TOTAL RECEIPTS OF TRANSFERS & GRANTS		452 349	515 350	158 285	492 040	492 040	492 040	574 205	604 447	703 084

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 32: MBRR A7 - Budget cash flow statement

Choose name from list - Table A7 Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			-	-	-	-	-	-	-	-	-	-
Service charges			41 940	43 573	25 978	48 063	12 221	12 221	12 221	21 996	26 553	28 119
Other revenue			104	796	1 461	28 577	55 391	55 391	55 391	26 915	28 583	30 270
Government - operating		1	177 578	226 560	237 422	284 387	287 042	287 042	287 042	306 688	335 578	375 292
Government - capital		1	253 212	233 214	162 783	207 653	203 898	203 898	203 898	267 517	268 469	327 392
Interest			12 525	2 204	1 428	5 797	2 500	2 500	2 500	324	344	365
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(139 173)	(386 002)	(295 891)	(299 562)	(361 888)	(361 888)	(361 888)	(321 823)	(343 740)	(380 548)
Finance charges			(1 066)	(978)	(1 135)	(317)	(707)	(707)	(707)	(1 049)	(1 114)	(1 179)
Transfers and Grants		1	-	-	-	(3 828)	(3 000)	(3 000)	(3 000)	(5 558)	(5 558)	(5 558)
NET CASH FROM/(USED) OPERATING ACTIVITIES			345 120	119 367	132 046	270 770	195 457	195 457	195 457	295 009	309 115	374 153
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-	835	(300)	70	-	-	-	-	-	-
Decrease (Increase) in non-current debtors			-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables			-	(398)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	-	-	15 000	-	-	-	-	-	-
Payments												
Capital assets			(291 241)	(262 275)	(128 319)	(252 173)	(288 371)	(288 371)	(288 371)	(267 517)	(268 469)	(327 392)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(291 241)	(261 837)	(128 620)	(237 103)	(288 371)	(288 371)	(288 371)	(267 517)	(268 469)	(327 392)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			(1 119)	(325)	(196)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			3 109	4 522	-	42	42	42	42	-	-	-
Payments												
Repayment of borrowing			8 385	7 895	(4 521)	(1 300)	(1 300)	(1 300)	(1 300)	(711)	(1 500)	(1 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES			10 375	12 092	(4 716)	(1 258)	(1 258)	(1 258)	(1 258)	(711)	(1 500)	(1 500)
NET INCREASE/ (DECREASE) IN CASH HELD			64 253	(130 379)	(1 290)	32 409	(94 173)	(94 173)	(94 173)	26 781	39 147	45 261
Cash/cash equivalents at the year begin:		2	77 504	141 757	15 095	12 696	12 696	12 696	12 696	(26 781)	0	39 147
Cash/cash equivalents at the year end:		2	141 757	11 378	13 805	45 106	(81 476)	(81 476)	(81 476)	0	39 147	84 408

In the 2016-2017 the various cost efficiencies and savings have been realised to ensure the municipality could meet its operational expenditure commitments. In addition the municipality undertook an extensive debt collection process to boost cash levels but due to unemployment and indigent community of UMkhanyakude we did not succeed in increasing cash collection. These initiatives and interventions have translated into a positive cash position for the municipality and it is projected that cash and cash equivalents on hand will decrease to zero by the financial year end.

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 33: MBRR A8 - Cash backed reserves/accumulated surplus reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	141 757	11 378	13 805	45 106	(81 476)	(81 476)	(81 476)	0	39 147	84 408
Other current investments > 90 days		(0)	0	(0)	(19 817)	115 335	115 335	115 335	4 000	(28 147)	(72 908)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		141 757	11 378	13 805	25 289	33 859	33 859	33 859	4 000	11 000	11 500
Application of cash and investments											
Unspent conditional transfers		77 202	21 851	39 698	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(11 734)	82 911	140 335	19 036	19 848	19 848	19 848	31 563	31 088	29 551
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		65 468	104 762	180 033	19 036	19 848	19 848	19 848	31 563	31 088	29 551
Surplus(shortfall)		76 288	(93 383)	(166 228)	6 253	14 011	14 011	14 011	(27 563)	(20 088)	(18 051)

From the above table it can be seen that the cash and investments available total to zero in the 2016-2017 financial year and progressively increase to R39million by 2017-2018, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

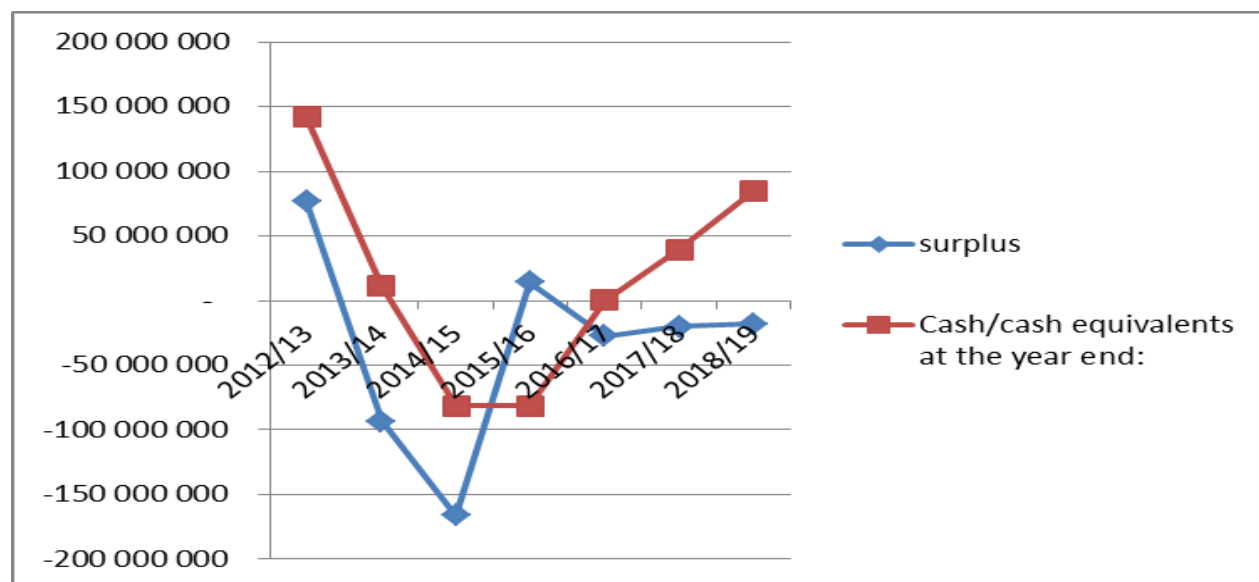
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital.

Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Figure 7: Cash and cash equivalents/cash backed reserves and accumulated funds



Cash and cash equivalents / Cash backed reserves and accumulated funds

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 34: MBRR SA10 – Funding compliance measurement

DC27 Umkhanyakude Supporting Table SA10 Funding measurement

DC27 Umkhanyakude Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	175 661	143 591	15 095	231 266	65 820	65 820	65 820	74 573	113 047	145 626
Cash + investments at the yr end less applications - R'000	18(1)b	2	201 351	78 280	(92 059)	85 586	(42 524)	(42 524)	(42 524)	25 172	145 116	184 546
Cash year end/monthly employee/supplier payments	18(1)b	3	11.2	7.0	0.5	10.2	3.1	3.1	3.1	2.5	3.6	4.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	238 486	179 795	101 897	206 285	173 839	173 839	173 839	207 653	215 335	228 618
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(14.4%)	(2.1%)	(3.2%)	(5.9%)	(6.0%)	(6.0%)	10.7%	(1.2%)	(0.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	90.4%	97.1%	88.7%	43.7%	24.9%	24.9%	24.9%	67.2%	49.1%	45.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	83.5%	83.3%	83.7%	81.2%	40.9%	40.9%	40.9%	69.5%	70.0%	70.0%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	81.4%	0.0%	100.0%	104.0%	104.0%	104.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(51.1%)	(52.1%)	54.1%	(1.5%)	0.0%	0.0%	4.1%	7.6%	15.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	2.2%	2.0%	2.1%	2.1%
Asset renewal al % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	58.1%	60.5%	60.5%	0.0%	37.8%	37.8%	37.3%

Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash

and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

Service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. The outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Capital payments of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a no per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

Transfers/grants revenue of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DORA) have been budgeted for. The municipality has budgeted for all transfers.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project.

2.6 Expenditure on grants and reconciliations of unspent funds

Table 35: MBRR SA19 - Expenditure on transfers and grant programmes

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		213 188	281 011	-	283 287	287 042	287 042	306 288	335 578	375 292
Local Government Equitable Share		174 928	193 756	-	265 376	265 376	265 376	292 146	320 467	359 612
Finance Management		1 250	1 250	-	1 250	1 250	1 250	1 250	1 250	1 000
Municipal Systems Improvement		1 000	890	-	940	940	940			
Water Services Operating Subsidy		-	-	-	5 200	5 200	5 200			
Rural Assets management		-	-	-	-	2 447	2 447	2 516	2 676	2 817
Expanded Public Works Programme(EPWP)		-	-	-	-	1 308	1 308			
Other transfers and grants [Project Management]		36 010	85 115	-	10 521	10 521	10 521	10 376	11 185	11 863
Provincial Government:		-	-	-	1 100	1 100	1 100	400	400	400
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Development Planning and Shared Services		-	-	-	1 100	1 100	1 100	400	400	400
District Municipality:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		213 188	281 011	-	284 387	288 142	288 142	306 688	335 978	375 692
Capital expenditure of Transfers and Grants										
National Government:		229 631	234 339	-	207 653	203 898	203 898	-	-	-
Municipal Infrastructure Grant (MIG)		226 773	233 214	-	199 898	199 898	199 898			
Rural Assets Management		1 776	-	-	2 447	-	-			
Rural Households Infrastructure		-	-	-	4 000	4 000	4 000			
nil		-	-	-	-	-	-			
nil		-	-	-	-	-	-			
Expanded Public Works Programme(EPWP)		1 082	1 125	-	1 308	-	-			
Provincial Government:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		229 631	234 339	-	207 653	203 898	203 898	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		442 819	515 350	-	492 040	492 040	492 040	306 688	335 978	375 692

Table 36: MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					-	-	-	-	-	-
Current year receipts					283 287	287 042	287 042	305 888	335 178	374 892
Conditions met - transferred to revenue		-	-	-	283 287	287 042	287 042	305 888	335 178	374 892
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	1 100	1 100	1 100	400	400	400
Conditions met - transferred to revenue		-	-	-	1 100	1 100	1 100	400	400	400
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
Total operating transfers and grants revenue		-	-	-	284 387	288 142	288 142	306 288	335 578	375 292
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	207 653	203 898	203 898	267 517	268 469	327 392
Conditions met - transferred to revenue		-	-	-	207 653	203 898	203 898	267 517	268 469	327 392
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities					-	-	-	-	-	-
Total capital transfers and grants revenue		-	-	-	207 653	203 898	203 898	267 517	268 469	327 392
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	492 040	492 040	492 040	573 805	604 047	702 684
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.7 Councillor and employee benefits

Table 37: MBRR SA22 - Summary of councilor and staff benefits

DC27 Umkhanyakude - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages					8 857	8 857	8 857	6 769	7 142	7 534
Pension and UIF Contributions					-	-	-	-	-	-
Medical Aid Contributions					-	-	-	-	-	-
Motor Vehicle Allowance					-	-	-	-	-	-
Cellphone Allowance					308	308	308	288	288	288
Housing Allowances					-	-	-	-	-	-
Other benefits and allowances					2 245	656	656	402	402	402
Sub Total - Councillors		-	-	-	11 409	9 820	9 820	7 459	7 832	8 224
% increase	4		-	-	-	(13.9%)	-	(24.0%)	5.0%	5.0%
Senior Managers of the Municipality										
Basic Salaries and Wages					6 873	6 071	6 071	6 296	6 296	6 296
Pension and UIF Contributions					10	10	10	10	10	10
Medical Aid Contributions					-	-	-	-	-	-
Overtime					-	-	-	-	-	-
Performance Bonus					-	-	-	-	-	-
Motor Vehicle Allowance					-	-	-	-	-	-
Cellphone Allowance	3				-	-	-	-	-	-
Housing Allowances	3				-	-	-	-	-	-
Other benefits and allowances	3				62	62	62	62	62	62
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	-	6 945	6 143	6 143	6 369	6 369	6 369
% increase	4		-	-	-	(11.5%)	-	3.7%	-	-
Other Municipal Staff										
Basic Salaries and Wages					82 743	79 755	79 755	74 892	74 892	74 892
Pension and UIF Contributions					13 964	13 964	13 964	14 425	14 743	15 657
Medical Aid Contributions					3 677	3 677	3 677	4 055	4 144	4 401
Overtime					714	714	714	500	511	543
Performance Bonus					7 361	7 361	7 361	7 913	7 913	7 913
Motor Vehicle Allowance	3				3 937	3 937	3 937	3 694	3 775	4 009
Cellphone Allowance	3				473	473	473	251	256	272
Housing Allowances	3				144	144	144	88	90	95
Other benefits and allowances	3				4 069	4 209	4 209	2 106	2 152	2 286
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
Sub Total - Other Municipal Staff		-	-	-	117 082	114 234	114 234	107 923	108 476	110 067
% increase	4		-	-	-	(2.4%)	-	(5.5%)	0.5%	1.5%
Total Parent Municipality		-	-	-	135 437	130 198	130 198	121 751	122 676	124 661
			-	-	-	(3.9%)	-	(6.5%)	0.8%	1.6%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	851	851	851	851	851
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	851	851	851	851	851
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	2 451	2 451	2 451	2 451	2 451	2 451
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	2 451	2 451	2 451	2 451	2 451	2 451
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	531	2 502	2 502	2 692	2 692	2 692

Table 38: MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

DC27 Umkhanyakude - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		480 354	6 159	140 150			626 663
Chief Whip			-	3 274	312 909			316 183
Executive Mayor			614 841	7 204	161 628			783 673
Deputy Executive Mayor			480 727	6 159	140 150			627 036
Executive Committee			1 522 485	16 615	379 314			1 918 414
Total for all other councillors			-	22 036	2 782 278			2 804 314
Total Councillors	8	-	3 098 407	61 447	3 916 429			7 076 283
Senior Managers of the Municipality	5							
Municipal Manager (MM)			727 288	11 589	331 822	-		1 070 699
Chief Finance Officer			500 137	12 258	619 217	-		1 131 612
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
<i>List of each official with packages >= senior manager</i>								
Head of Department: Corporate			648 833	11 070	325 765	-		985 668
Head of Department: Technical			737 524	11 117	192 222	-		940 863
Head of Department: PED			705 487	10 925	269 111	-		985 523
Head of Department: Community			771 550	10 960	203 048	-		985 558
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
Total Senior Managers of the Municipality	8,10	-	4 090 819	67 919	1 941 185	-		6 099 923
A Heading for Each Entity	6,7							
List each member of board by designation								
Senior managers			2 451 000	-	-	-		2 451 000
Board of directors			850 544	-	-	-		850 544
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
Total for municipal entities	8,10	-	3 301 544	-	-	-		3 301 544
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10 490 770	129 366	5 857 614	-		16 477 750

Table 39: MBRR SA24 – Summary of personnel numbers

DC27 Umkhanyakude - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		29	5	24	29	5	24	34	5	29
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	6	-	6	6	5	1	5	-	5
Other Managers	7	23	23	-	-	-	-	17	16	1
Professionals		266	209	58	385	346	27	404	281	121
Finance		46	42	5	69	62	5	69	62	5
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	3	3	-	3	3	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	5	5	-	-	-	-
Water		160	110	50	220	205	15	211	211	-
Sanitation		-	-	-	5	5	-	5	5	-
Refuse		-	-	-	-	-	-	-	-	-
Other		60	57	3	83	66	7	116	-	116
Technicians		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	324	237	88	420	356	52	460	302	156
% increase					29.6%	50.2%	(40.9%)	9.5%	(15.2%)	200.0%
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 40: MBRR SA25 - Budgeted monthly revenue and expenditure`

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		421	421	421	421	421	421	421	421	421	421	421	421	5 047	5 340	5 650
Service charges - water revenue		2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	31 104	32 908	34 817
Service charges - sanitation revenue		43	43	43	43	43	43	43	43	43	43	43	43	516	546	578
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	94	99	105
Interest earned - external investments		314	314	314	314	314	314	314	314	314	314	314	314	3 772	3 991	4 222
Interest earned - outstanding debtors		416	416	416	416	416	416	416	416	416	416	416	416	4 995	5 548	6 408
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		102 229	-	-	-	102 229	-	-	-	102 229	-	-	-	0	306 688	335 978
Other revenue		2 273	2 273	2 273	2 273	2 273	2 273	2 273	2 273	2 273	2 273	2 273	2 273	27 280	28 970	30 680
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		108 297	6 067	6 067	6 067	108 297	6 067	6 067	6 067	108 297	6 067	6 067	6 068	379 496	413 381	458 152
Expenditure By Type																
Employee related costs		10 645	10 645	10 645	10 645	10 645	10 645	10 645	10 645	10 645	10 645	10 645	10 645	127 745	130 555	138 649
Remuneration of councillors		622	622	622	622	622	622	622	622	622	622	622	622	7 459	7 832	8 224
Debt impairment		2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 435	29 209	32 130	35 343
Depreciation & asset impairment		2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 351	28 204	36 397	38 545
Finance charges		87	87	87	87	87	87	87	87	87	87	87	87	1 049	1 114	1 179
Bulk purchases		5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	64 692	68 703	72 757
Other materials		2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	35 614	36 397	38 545
Contracted services		1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 155	13 869	14 728	15 597
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 580	66 967	85 524	109 312
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	374 808	413 380	458 151
Surplus/(Deficit)		77 063	(25 167)	(25 167)	(25 167)	77 063	(25 167)	(25 167)	(25 167)	77 063	(25 167)	(25 167)	(25 166)	4 689	0	0
Transfers recognised - capital		89 172	-	-	-	89 172	-	-	-	89 172	-	-	-	(0)	267 517	327 392
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		166 235	(25 167)	(25 167)	(25 167)	166 235	(25 167)	(25 167)	(25 167)	166 235	(25 167)	(25 167)	(25 166)	272 206	268 469	327 393
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	166 235	(25 167)	(25 167)	(25 167)	166 235	(25 167)	(25 167)	(25 167)	166 235	(25 167)	(25 167)	(25 166)	272 206	268 469	327 393

Table 41: MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue by Vote																
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	292 146	320 467	359 612
Vote 3 - FINANCIAL SERVICES		872	872	872	872	872	872	872	872	872	872	872	872	10 467	11 003	11 319
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		5	5	5	5	5	5	5	5	5	5	5	5	55	99	105
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	2 165	25 975	28 934	30 617
Vote 8 - ELECTRICITY DEPARTMENT		421	421	421	421	421	421	421	421	421	421	421	421	5 047	5 340	5 650
Vote 9 - WATER SERVICES		2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	32 397	32 908	34 817
Vote 10 - SANITATION DEPARTMENT		43	43	43	43	43	43	43	43	43	43	43	43	516	546	578
Vote 11 - TECHNICAL SERVICES		1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	12 892	13 861	14 680
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 626	379 496	413 158	457 378
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL SUPPORT		834	834	834	834	834	834	834	834	834	834	834	834	10 012	10 449	11 003
Vote 2 - BOARD & GENERAL		830	830	830	830	830	830	830	830	830	830	830	830	9 963	10 434	11 061
Vote 3 - FINANCIAL SERVICES		7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	86 628	93 136	101 301
Vote 4 - CORPORATE SERVICES		3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	37 313	39 013	41 361
Vote 5 - COMMUNITY SERVICES		1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	16 746	17 146	18 207
Vote 6 - THUSONG SERVICE CENTRE		120	120	120	120	120	120	120	120	120	120	120	120	1 438	1 470	1 561
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	3 912	46 946	63 931	85 068
Vote 8 - ELECTRICITY DEPARTMENT		1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	23 042	24 401	25 844
Vote 9 - WATER SERVICES		10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 973	131 684	141 792	149 905
Vote 10 - SANITATION DEPARTMENT		205	205	205	205	205	205	205	205	205	205	205	205	2 461	2 515	2 671
Vote 11 - TECHNICAL SERVICES		715	715	715	715	715	715	715	715	715	715	715	715	8 574	8 871	9 396
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	374 807	413 158	457 378
Surplus/(Deficit) before assoc.		391	391	391	391	391	391	391	391	391	391	391	392	4 689	0	0
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	391	391	391	391	391	391	391	391	391	391	391	392	4 689	0	0

Table 42: MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																	
Governance and administration			25 218	25 218	25 218	25 218	25 218	25 218	25 218	25 218	25 218	25 218	25 218	25 218	302 613	331 470	370 931
Executive and council			24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	24 346	292 146	320 467	359 612
Budget and treasury office			872	872	872	872	872	872	872	872	872	872	872	872	10 467	11 003	11 319
Corporate services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety			5	5	5	5	5	5	5	5	5	5	5	5	55	99	105
Community and social services			5	5	5	5	5	5	5	5	5	5	5	5	55	99	105
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	38 867	42 795	45 297
Planning and development			3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	38 867	42 795	45 297
Road transport			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			3 163	3 163	3 163	3 163	3 163	3 163	3 163	3 163	3 163	3 163	3 163	3 164	37 961	38 795	41 045
Electricity			421	421	421	421	421	421	421	421	421	421	421	421	5 047	5 340	5 650
Water			2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	2 700	32 397	32 908	34 817
Waste water management			43	43	43	43	43	43	43	43	43	43	43	43	516	546	578
Waste management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard			31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 625	31 626	379 496	413 158	457 378
Expenditure - Standard																	
Governance and administration			10 495	10 495	10 495	10 495	10 495	10 495	10 495	10 495	10 495	10 495	10 495	10 495	28 472	143 916	153 032
Executive and council			166	166	166	166	166	166	166	166	166	166	166	166	18 144	19 975	20 883
Budget and treasury office			7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	7 219	86 628	93 136	101 301
Corporate services			3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	3 109	37 313	39 013	41 361
Community and public safety			1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	18 184	18 616	19 768
Community and social services			1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	18 184	18 616	19 768
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	55 520	72 802	94 464
Planning and development			4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	4 627	55 520	72 802	94 464
Road transport			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			13 099	13 099	13 099	13 099	13 099	13 099	13 099	13 099	13 099	13 099	13 099	13 099	157 187	168 708	178 420
Electricity			1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	1 920	23 042	24 401	25 844
Water			10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 974	10 973	131 684	141 792	149 905
Waste water management			205	205	205	205	205	205	205	205	205	205	205	205	2 461	2 515	2 671
Waste management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard			29 736	29 736	29 736	29 736	29 736	29 736	29 736	29 736	29 736	29 736	29 736	29 736	374 807	413 158	457 378
Surplus/(Deficit) before assoc.			1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	(16 087)	4 689	0
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	1 889	(16 087)	4 689	0

Table 43: MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated	1															
Vote 1 - COUNCIL SUPPORT														-	-	-
Vote 2 - BOARD & GENERAL														-	-	-
Vote 3 - FINANCIAL SERVICES														-	-	-
Vote 4 - CORPORATE SERVICES														-	-	-
Vote 5 - COMMUNITY SERVICES														-	-	-
Vote 6 - THUSONG SERVICE CENTRE														-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT														-	-	-
Vote 8 - ELECTRICITY DEPARTMENT														-	-	-
Vote 9 - WATER SERVICES														-	-	-
Vote 10 - SANITATION DEPARTMENT														-	-	-
Vote 11 - TECHNICAL SERVICES														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - COUNCIL SUPPORT														-	-	-
Vote 2 - BOARD & GENERAL														-	-	-
Vote 3 - FINANCIAL SERVICES														-	-	-
Vote 4 - CORPORATE SERVICES														-	-	-
Vote 5 - COMMUNITY SERVICES														-	-	-
Vote 6 - THUSONG SERVICE CENTRE														-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT														-	-	-
Vote 8 - ELECTRICITY DEPARTMENT														-	-	-
Vote 9 - WATER SERVICES		18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 049	216 597	174 969	259 914
Vote 10 - SANITATION DEPARTMENT		4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 244	50 920	93 500	67 478
Vote 11 - TECHNICAL SERVICES														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	267 517	268 469	327 392
Total Capital Expenditure	2	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	267 517	268 469	327 392

Table 44: MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

DC27 Umkhanyakude - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description R thousand	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
<i>Governance and administration</i>																
Executive and council														-	-	-
Budget and treasury office														-	-	-
Corporate services														-	-	-
<i>Community and public safety</i>																
Community and social services														-	-	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>																
Planning and development														-	-	-
Road transport														-	-	-
Environmental protection														-	-	-
<i>Trading services</i>																
Electricity		22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	267 517	268 469	327 392
Water		18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 050	18 049	216 597	174 969	259 914
Waste water management		4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 243	4 244	50 920	93 500	67 478
Waste management														-	-	-
<i>Other</i>																
Total Capital Expenditure - Standard	2	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	267 517	268 469	327 392
Funded by:																
National Government		89 172	-	-	-	89 172	-	-	-	89 172	-	-	(0)	267 517	268 469	327 392
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		89 172	-	-	-	89 172	-	-	-	89 172	-	-	(0)	267 517	268 469	327 392
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		89 172	-	-	-	89 172	-	-	-	89 172	-	-	(0)	267 517	268 469	327 392

Table 45: MBRR SA30 - Budgeted monthly cash flow

DC27 Umkhanyakude - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	298	298	298	298	298	298	298	298	298	298	298	298	3 574	3 795	4 019
Service charges - water revenue	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 523	18 411	22 746	24 088
Service charges - sanitation revenue	1	1	1	1	1	1	1	1	1	1	1	1	11	12	12
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	3	3	3	3	3	3	3	3	3	3	3	3	38	40	43
Interest earned - external investments	27	27	27	27	27	27	27	27	27	27	27	27	324	344	365
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	100 841	4 166	-	-	100 841	-	-	-	100 841	-	-	-	306 688	335 578	375 292
Other revenue	2 240	2 240	2 240	2 240	2 240	2 240	2 240	2 240	2 240	2 240	2 240	2 240	26 877	28 543	30 227
Cash Receipts by Source	104 945	8 270	4 104	4 104	104 945	4 104	4 104	4 104	104 945	4 104	4 104	4 092	355 922	391 058	434 046
Other Cash Flows by Source															
Transfer receipts - capital	136 086	-	-	-	65 715	-	-	-	65 715	-	-	-	267 517	268 469	327 392
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	241 031	8 270	4 104	4 104	170 660	4 104	4 104	4 104	170 660	4 104	4 104	4 092	623 439	659 527	761 438
Cash Payments by Type															
Employee related costs	11 086	11 086	11 086	11 086	11 086	11 086	11 086	11 086	11 086	11 086	11 086	11 358	133 303	136 113	141 671
Remuneration of councillors	622	622	622	622	622	622	622	622	622	622	622	621	7 459	7 832	8 224
Finance charges	-	-	525	-	-	-	-	-	-	525	-	-	1 049	1 114	1 179
Bulk purchases - Electricity	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 092	13 904	14 724
Bulk purchases - Water & Sewer	4 300	4 300	4 300	4 300	4 300	4 300	4 300	4 300	4 300	4 300	4 300	4 300	51 600	54 799	58 032
Other materials	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	35 614	36 397	38 545
Contracted services	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	1 156	13 869	14 728	15 597
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	2 779	-	-	-	-	2 779	-	-	-	-	0	5 558	5 558	5 558
Other expenditure	5 117	5 117	5 117	5 117	5 117	5 117	5 117	5 117	5 117	5 117	5 117	5 905	62 197	79 966	103 754
Cash Payments by Type	26 339	29 119	26 864	26 339	26 339	26 339	29 119	26 339	26 864	26 339	26 339	27 400	323 741	350 412	387 286
Other Cash Flows/Payments by Type															
Capital assets	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	22 293	267 517	268 469	327 392
Repayment of borrowing	-	356	-	-	-	-	356	-	-	-	-	-	711	1 500	1 500
Other Cash Flows/Payments	-	4 689	-	-	-	-	-	-	-	-	-	-	4 689	-	-
Total Cash Payments by Type	48 633	56 456	49 157	48 633	48 633	48 633	51 767	48 633	49 157	48 633	48 633	49 693	596 658	620 380	716 177
NET INCREASE/(DECREASE) IN CASH HELD	192 398	(48 186)	(45 053)	(44 529)	122 027	(44 529)	(47 663)	(44 529)	121 503	(44 529)	(44 529)	(45 601)	26 781	39 147	45 261
Cash/cash equivalents at the monthly year begin:	(26 781)	165 617	117 431	72 378	27 849	149 876	105 348	57 685	13 156	134 659	90 130	45 601	(26 781)	0	39 147
Cash/cash equivalents at the monthly year end:	165 617	117 431	72 378	27 849	149 876	105 348	57 685	13 156	134 659	90 130	45 601	0	0	39 147	84 408

2.10 Annual budgets and SDBIPs – internal departments

Water Services Department – Vote 9

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 46: Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

Description	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand							
Revenue By Source							
Service charges - water revenue	40 144 000	22 878 219	22 878 219	22 878 219	31 103 981	32 908 012	34 816 677
Total Revenue water revenue	40 144 000	22 878 219	22 878 219	22 878 219	31 103 981	32 908 012	34 816 677
Expenditure By Type							
Employee related costs	44 927 423	44 927 423	44 927 423	44 927 423	45 442 565	48 714 430	51 588 581
Debt impairment	38 511 000	29 209 422	29 209 422	29 209 422	29 209 422	32 129 900	35 342 890
Bulk purchases	63 237 737	60 543 578	60 543 578	60 543 578	64 692 397	68 703 326	72 756 822
Other materials	29 072 459	30 940 000	30 940 000	30 940 000	35 613 729	36 397 231	38 544 667
Total expenditure	175 748 619	165 620 423	165 620 423	165 620 423	174 958 113	185 944 887	198 232 960
Surplus/Deficit	-135 604 619	-142 742 204	-142 742 204	-142 742 204	-143 854 132	-153 036 875	-163 416 283

- There are currently no unfilled positions in the top management structure of the Water Services Department. As part of the performance objectives for the 2016-2017 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.
- Significant capital projects to be undertaken over the medium term includes, amongst others:
 - Expansion of the bulk reservoir supply
 - Replacement and upgrading of deficient reticulation infrastructure; and
 - Purification plant upgrades.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance.

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made. Consultancy services must be procured through competitive bids if the value of the contract exceeds R 200 000 (VAT included); or the duration period of the contract exceeds one year. In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of all consultancy services provided to an organ of state in the last five years; and any similar consultancy services provided to an organ of state in the last five years.

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the repairs and maintenance

Table 47: MBRR SA34a – Capital expenditure on new assets by assets class

DC27 Umkhanyakude - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	-	261 057	127 973	244 418	276 324	276 324	267 517	268 469	327 392	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	
Street Lighting		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		-	261 057	127 973	199 898	244 248	244 248	267 517	268 469	327 392	
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	
Water purification		-	255 188	119 399	172 912	217 262	217 262	216 597	174 969	259 914	
Reticulation		-	5 869	8 574	26 986	26 986	26 986	50 920	93 500	67 478	
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	-	-	-	-	-	-	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	44 520	32 076	32 076	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	44 520	32 076	32 076	-	-	-
Community		3	-	-	-	-	12 274	12 274	-	-	-
Parks & gardens		7	-	-	-	-	-	-	-	-	-
Sportsfields & stadia			-	-	-	-	-	-	-	-	-
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Recreational facilities			-	-	-	-	-	-	-	-	-
Fire, safety & emergency			-	-	-	-	-	-	-	-	-
Security and policing			-	-	-	-	-	-	-	-	-
Buses			-	-	-	-	-	-	-	-	-
Clinics			-	-	-	-	-	-	-	-	-
Museums & Art Galleries		8	-	-	-	-	-	-	-	-	-
Cemeteries			-	-	-	-	-	-	-	-	-
Social rental housing			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	12 274	12 274	-	-	-
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets	10	-	-	-	52 275	4 000	4 000	-	-	-	
General vehicles		-	-	-	-	-	-	-	-	-	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		-	-	-	-	-	-	-	-	-	
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-	
Furniture and other office equipment		-	-	-	-	-	-	-	-	-	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	-	-	-	-	-	-	-	
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	
Other Buildings		-	-	-	-	-	-	-	-	-	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	52 275	4 000	4 000	-	-	-
Agricultural assets		10	-	-	-	-	-	-	-	-	-
List sub-class	-		-	-	-	-	-	-	-	-	
	-		-	-	-	-	-	-	-	-	
Biological assets	10	-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Intangibles	10	-	-	-	-	-	-	-	-	-	
Computers - software & programming		-	-	-	-	-	-	-	-	-	
Other (list sub-class)		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	-	261 057	127 973	296 693	292 598	292 598	267 517	268 469	327 392	

[illegible]

Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

DC27 Umkhanyakude - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	261 057	127 973	244 418	276 324	276 324	267 517	268 469	327 392
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	261 057	127 973	199 898	244 248	244 248	267 517	268 469	327 392
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	255 188	119 399	172 912	217 262	217 262	216 597	174 969	259 914
Reticulation		-	5 869	8 574	26 986	26 986	26 986	50 920	93 500	67 478
Infrastructure - Sanitation		-	-	-	44 520	32 076	32 076	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	44 520	32 076	32 076	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	12 274	12 274	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	12 274	12 274	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	52 275	4 000	4 000	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	52 275	4 000	4 000	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - softw are & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	-	261 057	127 973	296 693	292 598	292 598	267 517	268 469	327 392

		96						
<u>Specialised vehicles</u>		-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-

Table 49: MBRR SA35 - Future financial implications of the capital budget

DC27 Umkhanyakude - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		216 597	174 969	259 914	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		50 920	93 500	67 478	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
Total Capital Expenditure		267 517	268 469	327 392	-	-	-	-
Future operational costs by vote	2							
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 2 - BOARD & GENERAL		-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICE CENTRE		-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-
Vote 10 - SANITATION DEPARTMENT		-	-	-	-	-	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
<i>List other revenues sources if applicable</i>		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		267 517	268 469	327 392	-	-	-	-

Table 50: MBRR SA36 - Detailed capital budget per municipal vote

Table 51: MBRR SA37 - Projects delayed from previous financial year

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- In year reporting
- Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance.
- Internship programme. The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from December 2012. The remaining three interns has been extended their contract to April 2017, two interns have been appointed to have five interns.
- Budget and Treasury Office. The Budget and Treasury Office has been established in accordance with the MFMA.
- Audit Committee. An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan. The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in May 2016.
- Annual Report. Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14 Other supporting documents

Table 52: MBRR Table SA1 - Supporting detail to budgeted financial performance

DC27 Umkhanyakude - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	R thousand									
	REVENUE ITEMS:									
	Property rates	6								
	Total Property Rates									
	less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)									
	Net Property Rates									
	Service charges - electricity revenue	6								
	Total Service charges - electricity revenue	4 398	5 669	5 256	6 360	4 735	4 735	5 047	5 340	5 650
	less Revenue Foregone (in excess of 50 kwh per indigent household per month)									
	less Cost of Free Basis Services (50 kwh per indigent household per month)									
	Net Service charges - electricity revenue	4 398	5 669	5 256	6 360	4 735	4 735	5 047	5 340	5 650
	Service charges - water revenue	6								
	Total Service charges - water revenue	36 454	36 647	19 874	46 444	29 178	29 178	31 104	32 908	34 817
	less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)				6 300	6 300	6 300			
	less Cost of Free Basis Services (6 kilolitres per indigent household per month)									
	Net Service charges - water revenue	36 454	36 647	19 874	40 144	22 878	22 878	31 104	32 908	34 817
	Service charges - sanitation revenue									
	Total Service charges - sanitation revenue	1 087	1 257	848	1 506	874	874	516	546	578
	less Revenue Foregone (in excess of free sanitation service to indigent households)									
	less Cost of Free Basis Services (free sanitation service to indigent households)									
	Net Service charges - sanitation revenue	1 087	1 257	848	1 506	874	874	516	546	578
	Service charges - refuse revenue	6								
	Total refuse removal revenue									
	Total landfill revenue									
	less Revenue Foregone (in excess of one removal a week to indigent households)									
	less Cost of Free Basis Services (removed once a week to indigent households)									
	Net Service charges - refuse revenue									
	Other Revenue by source									
	NIL									
	Connection fees			30						
	Department of Water Refund			13 008	18 779	27 886	27 886			
	Fair Value Adjustment			700		3 000	3 000			
	Tender Sales			123				179	190	201
	Other Revenue	680	2 036	56				233	247	261
	UMDA REVENUE							26 868	28 534	30 217
	NIL									
	NIL									
	NIL									
	NIL				7 618	7 618	7 618			
	NIL				9 600	388	388			
	Total 'Other' Revenue	680	2 036	13 917	28 379	38 891	38 891	27 280	28 970	30 680
	EXPENDITURE ITEMS:									
	Employee related costs	2								
	Basic Salaries and Wages	48 727	81 426	93 762	108 440	98 279	98 279	98 279	102 249	104 499
	Pension and UIF Contributions	10 327	14 475	16 773	13 974	13 974	13 974	13 974	15 410	15 749
	Medical Aid Contributions				3 677	3 677	3 677	4 055	4 144	4 401
	Overtime	2 671	3 084	3 379	714	714	714	500	511	543
	Performance Bonus									
	Motor Vehicle Allowance	6 535	6 818	7 242	3 937	3 937	3 937	3 694	3 775	4 009
	Clothing Allowance				473	473	473	251	256	272
	Housing Allowances	641	1 160	1 495	144	144	144	88	90	95
	Other benefits and allowances	1 637	2 951	1 681	4 132	4 132	4 132	1 498	1 531	1 626
	Payments in lieu of leave									
	Long service awards									
	Post-retirement benefit obligations									
	sub-total	4								
	Less: Employees costs capitalised to PPE									
	Total Employee related costs	1								
	Contributions recognised - capital									
	List contributions by contract									
	NIL									
	NIL									
	NIL									
	NIL									
	NIL									
	Total Contributions recognised - capital									
	Depreciation & asset impairment									
	Depreciation of Property, Plant & Equipment									
	Lease amortisation	21 016	28 109	28 160	24 607	28 204	28 204	28 204	36 397	38 545
	Capital asset impairment									
	Depreciation resulting from revaluation of PPE									
	Total Depreciation & asset impairment	10								
	Bulk purchases									
	Electricity Bulk Purchases									
	Water Bulk Purchases	19 428	27 592	31 572	19 832	12 138	12 138	12 138	13 092	13 904
	Total bulk purchases	1								
	Transfers and grants									
	Cash transfers and grants				3 828	3 000	3 000	5 558	5 836	6 244
	Non-cash transfers and grants									
	Total transfers and grants	1								
	Contracted services									
	Contracted Services									
	Security	7 577	34 369	38 497						
	First Auto				4 104	4 104	4 104	750	797	843
	NIL				7 800	7 800	7 800			
	Telkom				1 500	1 500	1 500			
	NIL									
	NIL									
	NIL									
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	NIL									
	NIL									

DC27 Umkhanyakude - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
Property rates	6	-	-	-	-	-	-	-	-	-	-
Total Property Rates		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service Charges - electricity revenue	6	-	-	-	-	-	-	-	-	-	-
Total Service charges - electricity revenue		3 387	4 398	5 669	4 852	4 852	4 852	4 852	6 619	6 937	7 346
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		3 387	4 398	5 669	4 852	4 852	4 852	4 852	6 619	6 937	7 346
Service charges - water revenue	6	39 785	36 454	36 647	44 317	44 317	44 317	44 317	50 456	52 954	55 684
Total Service charges - water revenue		39 785	36 454	36 647	44 317	44 317	44 317	44 317	50 456	52 954	55 684
less Revenue Foregone		-	-	-	6 200	6 200	6 200	6 200	6 300	6 678	6 678
Net Service charges - water revenue		39 785	36 454	36 647	38 117	38 117	38 117	38 117	44 156	46 276	49 006
Service charges - sanitation revenue		2 621	1 087	1 257	1 834	1 834	1 834	1 834	1 506	1 579	1 672
Total Service charges - sanitation revenue		2 621	1 087	1 257	1 834	1 834	1 834	1 834	1 506	1 579	1 672
less Revenue Foregone		-	-	-	-	0	0	0	-	-	-
Net Service charges - sanitation revenue		2 621	1 087	1 257	1 834	1 834	1 834	1 834	1 506	1 579	1 672
Service charges - refuse revenue	6	-	-	-	-	-	-	-	-	-	-
Total refuse removal revenue		-	-	-	-	-	-	-	-	-	-
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
Other Revenue by source											
Public contribution and donations		12	-	-	-	-	-	-	-	-	-
Other Income		431	-	-	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
Connection fees		-	100	18	-	-	-	-	-	-	-
Fair Value Adjustment		-	113	1 239	-	-	-	-	-	-	-
Tender Sales		-	-	70	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
nil		-	-	-	-	-	-	-	-	-	-
Other Income	3	-	843	751	17 349	1 349	1 349	1 349	22 213	20 683	22 713
Total 'Other' Revenue	1	442	1 056	2 078	17 349	1 349	1 349	1 349	22 213	20 683	22 713
EXPENDITURE ITEMS:											
Employee related costs	2	34 210	50 888	83 427	83 872	83 872	83 872	83 872	108 440	101 479	106 198
Basic Salaries and Wages		7 571	10 327	14 475	12 643	12 643	12 643	12 643	13 974	14 622	15 303
Pension and UIF Contributions		-	-	-	3 346	3 346	3 346	3 346	3 677	3 848	4 027
Medical Aid Contributions		2 018	2 671	3 084	410	410	410	410	714	747	782
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		6 716	6 535	6 818	3 692	3 692	3 692	3 692	3 937	4 120	4 311
Motor Vehicle Allowance		-	-	-	628	628	628	628	473	495	518
Cellphone Allowance		6 347	641	1 160	220	220	220	220	144	151	158
Housing Allowances		3 754	1 637	2 951	4 949	3 135	3 135	3 135	4 132	4 598	4 812
Other benefits and allowances		-	-	-	4 026	4 026	4 026	4 026	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	60 616	72 700	111 915	113 787	111 973	111 973	111 973	135 491	130 060	136 109
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	60 616	72 700	111 915	113 787	111 973	111 973	111 973	135 491	130 060	136 109
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
List contributions by contract		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	10	47 910	21 109	28 293	23 118	23 118	23 118	23 118	24 413	26 497	28 060
Depreciation of Property , Plant & Equipment		-	-	-	-	-	-	-	-	-	-
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE		-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	47 910	21 109	28 293	23 118	23 118	23 118	23 118	24 413	26 497	28 060
Bulk purchases	1	21 700	19 428	27 593	14 781	18 781	18 781	18 781	19 832	20 784	22 011
Electricity Bulk Purchases		34 219	56 839	49 977	41 819	41 819	41 819	41 819	43 405	45 489	48 173
Water Bulk Purchases		55 920	76 268	77 570	56 600	60 600	60 600	60 600	63 238	66 273	70 183
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Cash transfers and grants		-	-	-	3 625	3 625	3 625	3 625	60 867	72 299	79 704
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	3 625	3 625	3 625	3 625	60 867	72 299	79 704
Contracted services		-	-	-	-	-	-	-	-	-	-
List services provided by contract		-	-	-	-	-	-	-	-	-	-
Security		-	-	-	-	-	-	-	-	-	-
Office Equipment		-	-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	9 600	8 600	8 600	8 600	-	-	-
Refuse Removal		-	-	-	-	-	-	-	-	-	-
Legal fees		-	-	-	1 500	1 500	1 500	1 500	1 084	1 136	1 203
Advertisement		-	-	-	400	400	400	400	422	443	469
Communications		-	-	-	3 500	3 500	3 500	3 500	2 696	2 825	2 992
Insurance		-	-	-	1 955	1 955	1 955	1 955	1 565	1 640	1 737
Internal Audit		-	-	-	1 500	1 500	1 500	1 500	1 084	1 136	1 203
Other contracted services		-	-	-	13 328	17 338	17 338	17 338	18 309	19 188	20 320
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-	-	-	-	-	-	-	-	-
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NIL		-	-	-	-	-	-	-	-	-	-
NIL		-	-</								

Table 53: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

DC27 Umkhanyakude - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - COUNCIL SUPPORT	Vote 2 - BOARD & GENERAL	Vote 3 - FINANCIAL SERVICES	Vote 4 - CORPORATE SERVICES	Vote 5 - COMMUNITY SERVICES	Vote 6 - THUSONG SERVICE CENTRE	Vote 7 - SOCIAL ECONOMIC DEVELOPME NT	Vote 8 - ELECTRICIT Y DEPARTMEN T	Vote 9 - WATER SERVICES	Vote 10 - SANITATION DEPARTMEN T	Vote 11 - TECHNICAL SERVICES	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	5 047	-	-	-	-	-	-	-	5 047
Service charges - water revenue		-	-	-	-	-	-	-	-	31 104	-	-	-	-	-	-	31 104
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	516	-	-	-	-	-	516
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	94	-	-	-	-	-	-	-	-	-	-	-	-	94
Interest earned - external investments		-	-	3 772	-	-	-	-	-	-	-	-	-	-	-	-	3 772
Interest earned - outstanding debtors		-	-	4 995	-	-	-	-	-	-	-	-	-	-	-	-	4 995
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	412	-	-	-	26 868	-	-	-	-	-	-	-	-	27 280
Transfers recognised - operational		-	292 146	1 250	-	-	-	400	-	-	-	12 891	-	-	-	-	306 687
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	292 146	10 523	-	-	-	27 268	5 047	31 104	516	12 891	-	-	-	-	379 495
Expenditure By Type																	
Employee related costs		2 340	3 665	26 119	14 979	15 940	1 438	8 178	1 125	45 443	2 461	6 058	-	-	-	-	127 745
Remuneration of councillors		7 459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 459
Debt impairment		-	-	-	-	-	-	-	-	29 209	-	-	-	-	-	-	29 209
Depreciation & asset impairment		-	-	28 204	-	-	-	-	-	-	-	-	-	-	-	-	28 204
Finance charges		-	-	1 049	-	-	-	-	-	-	-	-	-	-	-	-	1 049
Bulk purchases		-	-	-	-	-	-	-	13 092	51 600	-	-	-	-	-	-	64 692
Other materials		-	-	-	-	-	-	-	-	35 614	-	-	-	-	-	-	35 614
Contracted services		-	-	750	13 119	-	-	-	-	-	-	-	-	-	-	-	13 869
Transfers and grants		-	-	-	-	-	-	5 558	-	-	-	-	-	-	-	-	5 558
Other expenditure		213	4 206	1 298	8 865	806	-	37 817	8 202	-	-	-	-	-	-	-	61 407
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		10 012	7 870	57 419	36 963	16 746	1 438	51 553	22 420	161 866	2 461	6 058	-	-	-	-	374 806
Surplus/(Deficit)		(10 012)	284 276	(46 897)	(36 963)	(16 746)	(1 438)	(24 285)	(17 373)	(130 762)	(1 945)	6 833	-	-	-	-	4 689
Transfers recognised - capital		-	-	-	-	-	-	-	-	267 517	-	-	-	-	-	-	267 517
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(10 012)	284 276	(46 897)	(36 963)	(16 746)	(1 438)	(24 285)	(17 373)	136 755	(1 945)	6 833	-	-	-	-	272 206

Table 54: MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC27 Umkhanyakude - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
ASSETS												
Call investment deposits												
Call deposits < 90 days			33 515	715	1 021	15 000	15 000	15 000	15 000	2 000	10 000	10 000
Other current investments > 90 days			96 627	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2		130 142	715	1 021	15 000	15 000	15 000	15 000	2 000	10 000	10 000
Consumer debtors												
Consumer debtors			14 037	13 571	18 527	44 056	205 972	205 972	205 972	210 091	210 091	214 293
Less: Provision for debt impairment			-	-	-	-	(197 927)	(197 927)	(197 927)	(201 886)	(205 924)	(210 042)
Total Consumer debtors	2		14 037	13 571	18 527	44 056	8 045	8 045	8 045	8 205	4 167	4 251
Debt impairment provision												
Balance at the beginning of the year			-	-	-	-	168 718	168 718	168 718	172 676	173 794	174 699
Contributions to the provision			-	-	-	-	29 209	29 209	29 209	29 209	32 130	35 343
Bad debts written off			-	-	-	-	-	-	-	-	-	-
Balance at end of year			-	-	-	-	197 927	197 927	197 927	201 886	205 924	210 042
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)			1 241 567	1 474 996	1 575 718	1 457 866	1 457 866	1 457 866	1 457 866	1 669 776	1 769 962	1 876 160
Leases recognised as PPE			-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation			-	-	-	24 412	24 412	24 412	24 412	28 204	36 397	38 545
Total Property, plant and equipment (PPE)	2		1 241 567	1 474 996	1 575 718	1 433 453	1 433 453	1 433 453	1 433 453	1 641 571	1 733 565	1 837 615
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)			-	9 682	1 500	-	-	-	-	-	-	-
Current portion of long-term liabilities			2 829	2 016	897	1 301	1 301	1 301	1 301	1 500	1 500	1 500
Total Current liabilities - Borrowing			2 829	11 698	2 397	1 301	1 301	1 301	1 301	1 500	1 500	1 500
Trade and other payables												
Trade and other creditors			75 003	121 895	170 732	96 717	63 355	63 355	63 355	63 355	63 355	63 355
Unspent conditional transfers			77 202	21 851	39 698	-	-	-	-	-	-	-
VAT			-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2		152 205	143 746	210 430	96 717	63 355	63 355	63 355	63 355	63 355	63 355
Non current liabilities - Borrowing												
Borrowing	4		9 732	8 181	7 400	7 428	7 428	7 428	7 428	7 123	6 623	5 623
Finance leases (including PPP asset element)			173	425	629	150	150	150	150	628	667	706
Total Non current liabilities - Borrowing			9 905	8 606	8 029	7 578	7 578	7 578	7 578	7 751	7 290	6 330
Provisions - non-current												
Retirement benefits			-	-	-	-	-	-	-	-	-	-
List other major provision items			-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation			-	-	-	-	-	-	-	-	-	-
Other			3 260	4 080	4 779	-	-	-	-	-	-	-
Total Provisions - non-current			3 260	4 080	4 779	-	-	-	-	-	-	-
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance			-	1 447 530	1 491 388	1 431 634	1 431 634	1 431 634	1 431 634	1 476 069	1 520 069	1 564 069
GRAP adjustments			-	-	-	-	-	-	-	-	-	-
Restated balance			-	1 447 530	1 491 388	1 431 634	1 431 634	1 431 634	1 431 634	1 476 069	1 520 069	1 564 069
Surplus/(Deficit)			179 093	100 854	40 486	252 174	229 674	229 674	229 674	272 206	268 469	327 393
Appropriations to Reserves			-	-	-	-	-	-	-	-	-	-
Transfers from Reserves			-	-	-	-	-	-	-	-	-	-
Depreciation offsets			-	-	-	-	-	-	-	-	-	-
Other adjustments			-	-	-	252 173	252 173	252 173	252 173	-	-	-
Accumulated Surplus/(Deficit)	1		179 093	1 548 384	1 531 874	1 935 981	1 913 481	1 913 481	1 913 481	1 748 275	1 788 538	1 891 462
Reserves												
Housing Development Fund			-	-	-	-	-	-	-	-	-	-
Capital replacement			-	-	-	-	-	-	-	-	-	-
Self-insurance			-	-	-	-	-	-	-	-	-	-
Other reserves			-	-	-	-	-	-	-	-	-	-
Revaluation			-	-	-	-	-	-	-	-	-	-
Total Reserves	2		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2		179 093	1 548 384	1 531 874	1 935 981	1 913 481	1 913 481	1 913 481	1 748 275	1 788 538	1 891 462

Table 55: MBRR SA9 – Social, economic and demographic statistics and assumptions

Interjurisdictional - Supporting Table 5-8B				Services economic and demographic statistics and assumptions													
Description of economic indicator	Unit	Ratio of calculation			2020/21		2021/22		2022/23		2023/24		2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		2020 Census	2017 Survey	2017 Census	Outcome	Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome	Outcome				
Population																	
Population					62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	
Female aged 15 - 24					17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	
Male aged 15 - 24					17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	
Male aged 15 - 24					17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	
Monthly household income (per household)																	
No income					100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
\$1 - \$1,499					40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
\$1,500 - \$2,499					4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
\$2,500 - \$3,499					1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
\$3,500 - \$4,499					800	800	800	800	800	800	800	800	800	800	800	800	
\$4,500 - \$5,499					80	80	80	80	80	80	80	80	80	80	80	80	
\$5,500 - \$6,499					40	40	40	40	40	40	40	40	40	40	40	40	
\$6,500 - \$7,499					20	20	20	20	20	20	20	20	20	20	20	20	
\$7,500 - \$8,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$8,500 - \$9,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$9,500 - \$10,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$10,500 - \$11,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$11,500 - \$12,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$12,500 - \$13,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$13,500 - \$14,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$14,500 - \$15,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$15,500 - \$16,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$16,500 - \$17,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$17,500 - \$18,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$18,500 - \$19,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$19,500 - \$20,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$20,500 - \$21,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$21,500 - \$22,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$22,500 - \$23,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$23,500 - \$24,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$24,500 - \$25,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$25,500 - \$26,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$26,500 - \$27,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$27,500 - \$28,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$28,500 - \$29,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$29,500 - \$30,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$30,500 - \$31,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$31,500 - \$32,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$32,500 - \$33,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$33,500 - \$34,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$34,500 - \$35,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$35,500 - \$36,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$36,500 - \$37,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$37,500 - \$38,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$38,500 - \$39,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$39,500 - \$40,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$40,500 - \$41,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$41,500 - \$42,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$42,500 - \$43,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$43,500 - \$44,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$44,500 - \$45,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$45,500 - \$46,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$46,500 - \$47,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$47,500 - \$48,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$48,500 - \$49,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$49,500 - \$50,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$50,500 - \$51,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$51,500 - \$52,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$52,500 - \$53,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$53,500 - \$54,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$54,500 - \$55,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$55,500 - \$56,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$56,500 - \$57,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$57,500 - \$58,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$58,500 - \$59,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$59,500 - \$60,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$60,500 - \$61,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$61,500 - \$62,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$62,500 - \$63,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$63,500 - \$64,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$64,500 - \$65,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$65,500 - \$66,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$66,500 - \$67,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$67,500 - \$68,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$68,500 - \$69,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$69,500 - \$70,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$70,500 - \$71,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$71,500 - \$72,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$72,500 - \$73,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$73,500 - \$74,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$74,500 - \$75,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$75,500 - \$76,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$76,500 - \$77,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$77,500 - \$78,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$78,500 - \$79,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$79,500 - \$80,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$80,500 - \$81,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$81,500 - \$82,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$82,500 - \$83,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$83,500 - \$84,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$84,500 - \$85,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$85,500 - \$86,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$86,500 - \$87,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$87,500 - \$88,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$88,500 - \$89,499					10	10	10	10	10	10	10	10	10	10	10	10	
\$89,500 - \$90,499					10	10	10	10	10								

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Statistic SA	-	-	-	-	-	-	625846	-	-	-
Females aged 5 - 14		Statistic SA	-	-	-	-	-	-	215500	-	-	-
Males aged 5 - 14		Statistic SA	-	-	-	-	-	-	95015	-	-	-
Females aged 15 - 34		Statistic SA	-	-	-	-	-	-	265500	-	-	-
Males aged 15 - 34		Statistic SA	-	-	-	-	-	-	49831	-	-	-
Unemployment		Statistic SA	-	-	-	-	-	-	155000	-	-	-
Monthly household income (no. of households)	1, 12											
No income		Statistic SA	-	-	-	-	-	-	-	-	-	-
R1 - R1 600		Statistic SA	-	-	-	-	-	-	105 000	-	-	-
R1 601 - R3 200		Statistic SA	-	-	-	-	-	-	45 000	-	-	-
R3 201 - R6 400		Statistic SA	-	-	-	-	-	-	4 500	-	-	-
R6 401 - R12 800		Statistic SA	-	-	-	-	-	-	1 600	-	-	-
R12 801 - R25 600		Statistic SA	-	-	-	-	-	-	800	-	-	-
R25 601 - R51 200		Statistic SA	-	-	-	-	-	-	85	-	-	-
R52 201 - R102 400		Statistic SA	-	-	-	-	-	-	60	-	-	-
R102 401 - R204 800		Statistic SA	-	-	-	-	-	-	25	-	-	-
R204 801 - R409 600		Statistic SA	-	-	-	-	-	-	18	-	-	-
R409 601 - R819 200		Statistic SA	-	-	-	-	-	-	15	-	-	-
> R819 200		Statistic SA	-	-	-	-	-	-	8	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Nil	-	-	-	-	-	-	0.00	-	-	-
Insert description	2	Nil	-	-	-	-	-	-	0.00	-	-	-
Household/demographics (000)												
Number of people in municipal area		Statistic SA	-	-	-	-	-	-	626	-	-	-
Number of poor people in municipal area		Statistic SA	-	-	-	-	-	-	105	-	-	-
Number of households in municipal area		Statistic SA	-	-	-	-	-	-	626	-	-	-
Number of poor households in municipal area		Statistic SA	-	-	-	-	-	-	105	-	-	-
Definition of poor household (R per month)		Statistic SA	-	-	-	-	-	-	<1600	-	-	-
Housing statistics	3											
Formal		0	-	-	-	-	-	-	0	-	-	-
Informal		0	-	-	-	-	-	-	0	-	-	-
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4	Statistic SA	-	-	-	-	-	-	48 226	-	-	-
Dwellings provided by province/s		Statistic SA	-	-	-	-	-	-	0	-	-	-
Dwellings provided by private sector	5	Statistic SA	-	-	-	-	-	-	0	-	-	-
Total new housing dwellings			-	-	-	-	-	-	48 226	-	-	-
Economic	6											
Inflation/inflation outlook (CPIQ)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets (000)										
Water:										
Piped water inside dwelling		-	-	-	17 575	17 575	17 575	18 075	18 575	19 075
Piped water inside yard (but not in dwelling)		-	-	-	30 691	30 691	30 691	31 191	31 691	32 191
Using public tap (at least min.service level)		-	-	-	28 013	28 013	28 013	27 513	27 013	26 513
Other water supply (at least min.service level)		-	-	-	3 300	3 300	3 300	3 235	3 170	3 105
Minimum Service Level and Above sub-total		-	-	-	79 579	79 579	79 579	80 014	80 449	80 884
Using public tap (< min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)		-	-	-	-	-	-	-	-	-
No water supply		-	-	-	38 909	38 909	38 909	28 909	18 909	8 909
Below Minimum Service Level sub-total		-	-	-	38 909	38 909	38 909	28 909	18 909	8 909
Total number of households		-	-	-	118 488	118 488	118 488	108 923	99 358	89 793
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	13 237	13 237	13 237	13 737	13 737	13 737
Flush toilet (with septic tank)		-	-	-	4 633	4 633	4 633	5 133	5 133	5 133
Chemical toilet		-	-	-	21 255	21 255	21 255	21 755	21 755	21 755
Pit toilet (ventilated)		-	-	-	33 025	33 025	33 025	33 275	33 275	33 275
Other toilet provisions (> min.service level)		-	-	-	25 536	25 536	25 536	25 786	25 786	25 786
Minimum Service Level and Above sub-total		-	-	-	97 686	97 686	97 686	99 686	99 686	99 686
Bucket toilet		-	-	-	1 096	1 096	1 096	595	595	595
Other toilet provisions (< min.service level)		-	-	-	7 043	7 043	7 043	6 793	6 793	6 793
No toilet provisions		-	-	-	13 624	13 624	13 624	3 624	3 624	3 624
Below Minimum Service Level sub-total		-	-	-	21 763	21 763	21 763	11 012	11 012	11 012
Total number of households		-	-	-	119 449	119 449	119 449	110 698	110 698	110 698
Energy:										
Electricity (at least min.service level)		-	-	-	49 707	49 707	49 707	50 207	50 207	50 207
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	49 707	49 707	49 707	50 207	50 207	50 207
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	79 487	79 487	79 487	79 987	79 987	79 987
Below Minimum Service Level sub-total		-	-	-	79 487	79 487	79 487	79 987	79 987	79 987
Total number of households		-	-	-	129 194	129 194	129 194	130 194	130 194	130 194
Refuse:										
Removed at least once a week		-	-	-	12 034	12 034	12 034	12 534	12 534	12 534
Minimum Service Level and Above sub-total		-	-	-	12 034	12 034	12 034	12 534	12 534	12 534
Removed less frequently than once a week		-	-	-	1 409	1 409	1 409	909	909	909
Using communal refuse dump		-	-	-	1 295	1 295	1 295	795	795	795
Using own refuse dump		-	-	-	94 794	94 794	94 794	95 294	95 294	95 294
Other rubbish disposal		-	-	-	2 174	2 174	2 174	1 674	1 674	1 674
No rubbish disposal		-	-	-	10 989	10 989	10 989	5 989	5 989	5 989
Below Minimum Service Level sub-total		-	-	-	110 661	110 661	110 661	104 661	104 661	104 661
Total number of households		-	-	-	122 695	122 695	122 695	117 195	117 195	117 195
Municipal in-house services										
		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets (000)										
Water:										
Piped water inside dwelling		-	-	-	17 575	17 575	17 575	17 575	17 575	17 575
Piped water inside yard (but not in dwelling)		-	-	-	30 691	30 691	30 691	30 691	30 691	30 691
Using public tap (at least min.service level)		-	-	-	28 013	28 013	28 013	28 013	28 013	28 013
Other water supply (at least min.service level)		-	-	-	3 300	3 300	3 300	3 300	3 300	3 300
Minimum Service Level and Above sub-total		-	-	-	79 579	79 579	79 579	79 579	79 579	79 579
Using public tap (< min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)		-	-	-	-	-	-	-	-	-
No water supply		-	-	-	38 909	38 909	38 909	38 909	38 909	38 909
Below Minimum Service Level sub-total		-	-	-	38 909	38 909	38 909	38 909	38 909	38 909
Total number of households		-	-	-	118 488	118 488	118 488	118 488	118 488	118 488

Table 56: MBRR SA32 – List of external mechanisms

DC27 Umkhanyakude - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
KSS	Yrs	1	Security		3 720
First Auto	Yrs	1	car hire		7 056
Steiner Hygiene	Yrs	1	cleaning services		720
Nashua	Yrs	1	Leasing machine		575
brand partners	Yrs	1	communication		3 396
camelsa	Yrs	1	financial system		410
nil	Yrs	1	nil		–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–
nil	nil	nil	nil	nil	–

2.18 Municipal manager's quality certificate



Municipal manager's quality certificate

I **Elliot Musa Mzimela** acting municipal manager of Umkhanyakude District Municipality, hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: _____

Municipal Manager of Umkhanyakude District Municipality (DC27)

Signature: _____

Date : _____

Print Name: _____

Chief Financial Officer of Umkhanyakude District Municipality (DC27)

Signature: _____

Date : _____